

## FINANCIAI World Business Newspaper http://www.FT.com TUESDAY MARCH 24 1998



Credit Suisse The McKinsey effect takes hold Page 20



and the confidence with the second confidence of

Munch and friends Scandinavian painters at the Musée d'Art Moderne Arts, Page 15



Lisbon Expo '98 **Everything maritime** except sardines FT Guide, Page 13

Today's surveys Global Stock Exchanges Investing in South Africa Separate sections

#### WORLD NEWS

#### Shipowners using new Australian docks group face worldwide action

international shipping lines are threatened with worldwide industrial action if they use the discount stevedoring services of a new Australian operator. The group was set up by a farmers' lobby in an attempt to break the hold of the country's powerful maritime union. Page 6

Clinton halls 'African renaissance' US President Bill Clinton began a six-nation tour of Africa hailing what he described as the "beginning of a

Channel tunnel fire 'arson' The fire in the Channel rall tunnel between France and England in 1996 was probably the result of arson, a French judicial inquiry concluded. Page 10

Carmakers fend off emission laws European carmakers appear to have fended off laws forcing them to cut carbon dioxide emissions after volunteering a 25 per cent reduction by 2008: Page 3

Greens' policy cost votes Germany's environmental Green party suffered a drop in support in municipal elections at Schleswig-Holstein after saying it would triple petrol prices. Page 2

West Bank rift deepeas US Middle East envoy Dennis Ross Is due to arrive in Israel arriid growing disagreement within the Israeli government over how much West Bank land to hand to the Palestin-

Serbs angry at schools deal Thousands of Serbs demonstrated in Kosovo against an agreement to allow Albanian students to return to state schools and colleges for the first time in more than seven years.

Brittan seeks environment talks European Union trade-commissioner Sir Leon Brittan called for a trade and environment meeting to break World Trade Organisation. Page 6

ChBezen to be ILO beed Chile's ambassador to the United Nations, Juan Somavia, was voted International Labour Organisation. He

will succeed Michel Hansenne of Belgium. Page 7 Abortion ruling upheld The US Supreme Court let stand a lower court decision that ruled unconstitutional Ohio's attempt to

200

. . . . **. . .** 

and the second

ban some late-term abortions. Page 5 Japan raies out income tax cuts Japan's ruling Liberal Democratic party ruled out including income tax cuts in an economic stimulus pack-

age. Page 18 Hong Kong gets interactive TV Hong Kong became the first big city to be plugged in to fully interactive television. Page 4

GTach to answer questions Officials from US lottery company GTech will today meet the regulator of the UK's National Lottery to answer concerns about whether the company is fit to be involved in running it. Page 10

Hustu rebels kill 20 Hutu rebels in Rwanda kidnapped seven Roman Catholic nuns and kliled 20 civilians in attacks on a health centre and a village, a military

Riots close university Natrobi university was closed as riot-ing students protested at cuts in education spending.

#### **BUSINESS NEWS**

#### Elf Aquitaine to pay **\$**528m for 5% stake in Russian

Elf Aquitaine of France is linking with fellow oil company Yuksi of Russia. by paying \$528m for a 5 per cent stake, valuing the company at \$10.4bn. Yuksi is one of the world's largest private sector oil companies in terms of proven reserves. Page 19

ground as US regulators fulfilled their threat of court action to block the serospace company's \$9bn merger with Lockheed Martin. Northrop shares were \$104% by noon in New York, having stood at \$139 late last month. Page 19

turing process. Page 19

Gazprom, Russia's gas monopoly. Is set to land a 12-year contract next month to supply Bulgaria with natural gas. The deal is expected to include large-scale transfers to Turkey via a

CIC, the French state regional banking group, is set to be valued at more than FFr18bn (\$2.9bn) as a result of bids for its privatis Bidders Banque Nationale de Paris and Crédit Commercial de France were rejected yesterday. Page 23

services company, agreed to acquire American Bankers Insurance Group, the big US quoted credit insurer, in a cash-and-stock deal worth \$3.1bn. It will also pay \$1.3bn for National Parking Corporation of the UK. Page 19; Lex, Page 18; Cendant signals intent, Page 26

Torino, Italy's largest commercial bank, saw net group profits last year olunge 72 per cent to L168bn (\$93m) from L603bn in 1996. Page 23

energy group, is selling its domestic coal operations to Arch Coal for \$1.14bn, making Arch the second biggest coal producer in the US.

Temkins, the UK conglomerate, has paid \$187m for Schrader-Bridgeport, the US tyre valve and fluid control component maker. Page 26

rates to boost the ruplah and curb inflation. The move boosted the cur-

AMP, Australia's largest fund management and insurance group,

subsidiary of HSBC Holdings, appointed Vincent Chang, Hongkong Bank executive director, as acting chief executive and vice-chairman.

more than 11 per cent by value and volume in January as the regional crisis shook consumer confidence. Page 4

Jananese car sales fell steeply for the country's five leading manufacturers in February compared with a

The latest transla and data from more than the periods realized as a glance Page 39

#### oil giant Yuksi

Northrop Grunnman stock lost more

Continental of Germany, the world's fourth largest tyre company, plans to open its first manufacturing plant in Russia. The Russian plant would use Continental's new modular manufac-

pipeline. Page 3

Cendant, world's largest consumer

**Istituto Bancario** San Paolo di

Atlantic Richfield, West Coast

indenesia nearly doubled its interest rency to Rp8,900 to the US dollar.

Page 4: Currencies, Page 29 wants to be allowed to hold its own

shares after its planned June stock exchange listing. Page 24 Hang Seng Bank, Hong Kong

Hong Kong retail sales dropped

**World Equity Markets** 

#### WORLD MARKETS

STOCK MARKET BENCES New York: Lunckins Dow Jones and Ar8840.17	(-66.26)	Mary Yerk: Cornex Mary Serie: Cornex	(291.7
MSSIAQ Composite	(+3.51) (-8.74) (-30.29) (-9.3) (+38.83)	London:   \$203.45     EXCHANGE RATES     Dollar     Hear York: Lunchthea     2	(292.25
Total   Tota	(78%) (105,757) (104,85) (108,41) (109,6) (12,515)	Y	(1.6643) (1.8343) (6.148 (1.488) (130.425) Y 130.3

© THE FINANCIAL TIMES LIMITED 1998 No.33,556 London - Leeds - Paris - Frankfurt - Stockholm - Milan - Medrid - New York Los Angeles - Tokyo - Hong Kong

## Yeltsin sacks his prime minister and entire cabinet

Surprise Russian bloodletting in pursuit of 'dynamism and initiative'

By Chrystia Freeland, John Thornhill and Leyla Boulton in Moscow

Russian president Boris Yeltsin yesterday sacked his prime minister and dismissed the entire cabinet in the country's most the violent conflict between par-

prise political bloodletting were social sphere. People do not feel Victor Chernomyrdin, the long- any change for the better," Mr serving prime minister, and Anatoly Chubais, the architect of Russia's market reforms. Both were personally dismissed by Mr Yeltsin, who demanded "new views and fresh approaches and

Sergei Kiriyenko, the 35-yearold minister of fuel and energy, was appointed first deputy prime minister and acting prime minister. In spite of his youth and relative inexperience, a Kremlin official described Mr Kiriyenko as "the most likely, the strongest and the most realistic candidate" to be presented to parliament as since the Asian crisis.

Mr Yeltsin's new prime ministe rial choice.

In a brief and carefully edited television appearance, Mr Yeltsin said that "on the whole" the outgoing cabinet had done its job. However, he said Russia needed a sweeping political overhaul since new team, with more "dynamism and initiative" and a greater liament and the Kremlin in 1993. focus on ordinary Russians. "We The chief casualties of the surany change for the better," Mr

Yeltsin said. However, it was not immediately clear how the reshuffle would affect government policy and Russia's constitutional arrangements, including the difficult issue of who would succeed Mr Yeltsin if the ailing leader were to die in office.

Russia's financial markets were initially stunned by the news, but recovered by the end of the day. The government was forced to postpone a planned eurobond issue, its first foray back into global capital markets



Helio, goodbye: Boris Yeltsin with secked PM Victor Chemomyrdin (left) at the Kremlin yesterday. Picture: Reuters

Some observers hoped Mr Yeltsin would pick a strongly reformist team. But, at least initially, the departure of Mr Chubais is expected seriously to weaken the reform faction and increase the influence of Russia's business magnates.

The decisive question is who Mr Yeltsin chooses as Mr Chernomyrdin's permanent replacement. In addition to Mr Kiriyenko, candidates include Grigory Yavlinsky, head of the opposition Yabloko party, Yegor Stroyev, the ex-communist speaker of the upper house of parliament, and Boris Nemtsov, the acting first deputy prime

According to the Russian constitution, Mr Yeltsin must present his choice to the duma, the lower house of the Russian par- president's candidate three times

# Russia: volatile times

liament, in the next two weeks. That requirement has raised the spectre of a new political crisis. If the left-leaning duma rejects the

in a row - a distinct possibility if Mr Yeltsin settles on a strong reformer - the president then has the right to dissolve the par-

liament. It was not clear what future political roles, if any, would be played by Mr Chernomyrdin and

Mr Chernomyrdin has been entrusted with "preparing" for the presidential elections in 2000, while Mr Chubais said he might take up a senior role at Unified Energy Systems, the national power company.

However, Mr Yavlinsky echoed many observers saying "this is the end of his [Mr Chernomyrdin's] political career".

New man pledges continuity, Page 2 Editorial Comment and Tsar of all be surveys, Page 17; Lex, Page 18

## German media group buys Random House

and Richard Waters in New York

day with the announcement that Bertelsmann, the German media group, is to buy Random House. the New York-based publisher, from the media tycoon S. I. New-

The merger of Random House - whose imprints include Alfred A Knopf, Pantheon and Fodor's Travel Guides - with Bertelsmann's existing book interests in the US - Bantam and Doubleday Dell - will create the biggest trade book publishing company in the English-speaking world with sales of about \$1.5hn.

the biggest book publisher. The details of the acquisition an industry publication. were not announced, though anawhose authors include Michael Crichton, John Le Carré and Colin Powell, has one of the bestgeneral interest texts sold through bookstores.

The acquisition will accelerate the foreign invasion of the US other publishers, was starting to eign-owned publishing houses multi-million dollar advances.

Bertelsmann boosts position as world's biggest book publisher Bertelsmann is the world's with more than 50 per cent of With about \$1.2hm of annual mergers," he said.

Random House rose to promilysts in the US estimated the cost nance during the 1990s under the at \$1.5bn-\$2bn. Random House, guidance of Harold Evans, a former British newspaper editor. Mr Evans fuelled the escalation of huge advances to authors by payknown names in the publishing ing large sums for books by Colin of so-called "trade" books, the Powell and Marlon Brando, among others. He left the company late last year,'at a time when Random House, along with

Its nearest rivals are Viacom's Simon and Schuster, which has been put up for auction, News Corporation's HarperCollins, and Penguin Putnam, owned by Pearson, the UK group which also

owns the Financial Times. Mr Mark Wössner, Bertelsmann's chairman, said the Ran-dom House acquisition was in line with the group's strategy of bolstering its core publishing publishing industry, leaving for- turn its back on the payment of division and strengthening its position in the US. "This merger

gives us added strength in a highly competitive market which has already ... been marked by

two-thirds of them in He said once the acquisition first time, according to Subtext, the US, Random House is the was cleared by competition largest publisher of trade books. authorities, Bertelsmann would group all its book publishing activities in the US under the Random House name. Peter Olson, chief executive of Bertelsmann Book Group North America, will head the merged

> Following the acquisition, about a third of Bertelsmann's group turnover of DM25bn (\$13.7bn) will be in the US.

## Nempuku diverts \$4bn to foreign managers

By Gillian Tett in Tokyo

Nempuku, Japan's largest public last year, in a striking turnaround from previous years when the group distributed almost all new funds to Japanese life assurers, companies and trust banks to

The shift comes as western asset management companies scramble to increase their pres-ence in Japan. Last week, Dresdner Bank announced an alliance with Meiji Life to manage pension money, the latest in a string

director of Intersec, a pension consultant, said: "This [allocation by Nempuku) is absolutely amazing. It is a huge increase in the foreign share."

Nempuku, also known as the Pension Service Public Welfare Corporation, acts as a pension fund manager for the Ministry of Health and Welfare. With assets of Y24,000bn under management it is one of the largest pension fund managers in the world and other Japanese pension fund managers follow its actions closely.

In the past three years, Nempuku has started to distribute money to foreign groups to boost Lex, Page 18 its returns and in 1996 non-Japanese companies received 15 per cent of the new mandates.

Nempuku does not officially publish the distribution of funds. but data circulated to the pension pension fund group, allocated industry recently shows that of about half its Y1,000bn (\$7.8bn) of the Y1,000bn of new money allonew funds to foreign managers cated in fiscal 1997, some Y520bn was given to non-Japanese managers. These included several US groups: Cititrust, the asset management arm of Citicorp, was awarded Y150bn, Morgan Stanley received Y100bn, Goldman Sachs Y100bn, and Bankers Trust Y50bn. Schroders, the UK fund manager, also received Y80bn and other groups Y40bn.

The decision to award more money to foreign companies reflects a more market-based of such links. approach. One Japanese govern-Hiroshi Nakagawa, managing ment official said: "Nempuku is starting to allocate money according to performance. That is something new."

Some companies have already changed their pension policies. Sony, the electronics group, recently cancelled its contracts with life assurance companies and now uses foreign groups to manage about half its funds. Sony said: "Even though some life insurance companies have good returns, they didn't meet our requirements.

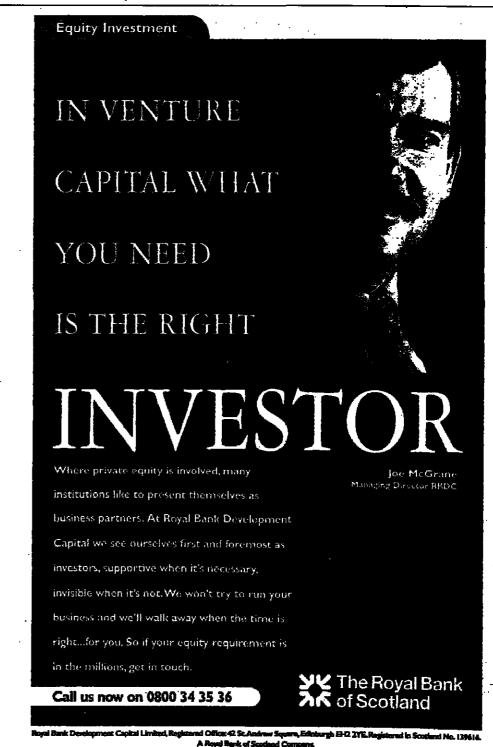
The total foreign share of the pension sector is 7.8 per cent, according to Intersec.

Tokyo stimulus, Page 18 Foreign participation and Japanese Tokyo stime life, Page 24

#### CONTENTS

World News 2-10 UK News 10 Features 11,14 Comment & Analysis 16,17 Companies & Finance 19-26 World Stock Markets 34-40

Full contents and Lext back page



and the second contraction of the second contract of the second contraction of the second contra

As always in Russia, everything changes and nothing changes. With his characteristic leg-

erdemain, President Boris Yeltsin yesterday signalled "momentous" changes by sweeping away his entire government. Yet in the same breath, he declared that economic policy would remain exactly the same.

Mr Yeltsin said the reshuffle signalled "our desire to impart more energy and more efficiency to economic reform, to give it an additional impetus, a fresh

He added: "I think the members of the cabinet need to focus better on the solution of concrete economic and social issues. They should be less involved in politics.

That lesson certainly appeared to have been taken on board by Sergei Kiriyenko, the 35-year-old energy minister who was - to the surprise of all, including himself - appointed acting prime minister.

Instead of returning home early for his daughter's birthday vesterday, Mr Kirlyenko found himself with primary responsibility for tackling Russia's economic troubles - at least temporar-

Sitting calmly in the midst of a frantic press conference, he refused to answer any questions that touched on politics, saying his chief task was simply to fulfil the instructions contained in Mr Yeltsin's state of the nation

address in February. The balding, bespectacled Mr Kirivenko sald his immediate concerns were to pay off wage arrears, tackle the consequences of the fall in oil prices (which has already been partly reversed by the decision of several leading oil producers to cut production), and deal with the problems of spring floods and Chernomyrdin, the first depcoal industry restructuring. -"There will be no new gov-mier who lost their posts. premier is a member of the ones," said Fredrik Lekman, Additional reporting



in and out: Kirlyenko (left) becomes acting premier; Chubais, Chernomyrdin and Nemtsov (left to right) were sacked yesterday by

nuity of policy."

ernment reshuffle comes at a per cent this year. benign time for the Russian economy. Russia has tion, the economy has financial turmoil that folof the rouble has passed off first quarter of 1998. successfully, giving addi-

Russia's reaction to the

sacking of the government

to profound indifference

era of reform pursued by

myrdin," said Mikhail Ber-

newspaper, referring to the

market reforms started by

Yegor Gaidar in January

1992 and continued by Ana-

uty prime minister and pre-

toly Chubais and Victor economy."

"This is the end of a whole

ong ordinary people.

tion will fall to less than 10 After a decade of contrac-

endured the worst of the started growing again, albeit slowly. The finance ministry lowed Asia's economic melt- is forecasting economic down. The redenomination growth of 1.5 per cent in the Even the pressures on going first deputy prime

political deal is behind this."

particularly worried by the

work of a group of business-

men close to the corridors of

sorry about Chubais," said

pher. "The country needs a

man like him to pursue

long-term economic reforms

separating the state from the

course because the acting

ernment programme." he "But I don't see any eco- reformist team." said Lev chief investment officer at Simon Davies

"This is not a change of

"I don't see anything

yesterday ranged from baf- departure of Mr Chubais.

fled concern among the elite with some seeing it as the

Gaidar, Chubais and Cherno-frightening in this, but I'm

ger, editor of Sevodnya Yuri Senokosov, a philoso-

Liberal intellectuals were

'Nothing will change for us'

with sharply higher tax revenues in the first two months some hope that the average Russian may finally start to see the benefits of economic reform, as Mr Yeltsin desires.

Anatoly Chubais, the out-

for granting pardons to

camps, said the move was a

"political manoeuvre" by Mr

the government's perfor-

mance scheduled by parlia-

cancelled vesterday.

ment for April 10. This was

by the prospect of fresh

political uncertainty. "The

Yeltsin will come up with a

worse than the previous

Investors were unsettled

Yeltsin to avoid a review of

But Mr Razgon, a former

inmate of Stalin's labour up."

those sentenced to death.

dent Yeltsin's commission investment bank. "That is

most likely outcome is that ity," said Lena. a doctor.

cabinet that is no better or everything's up in the air

again.'

said. "There will be a conti-tional credence to the gov- Russia's strained public minister and the leading ernment's forecast that infla-finances appear to be easing, reformer in the government, certainly appeared sanguine about his move - in sharp of the year. All this provides contrast with the previous occasion when he was sacked from the government in January 1996. At that time he railed against the dangers of changing economic

"The perspective for the

think the risk premium for

investing in Russia will go

common reaction on the

streets of Moscow yesterday.

"Everything has changed for

those in power but nothing

will change for us." said

"If they had stayed on, we

Sveta, a toyshop assistant.

might have had some stabil-

"But now they're going,

In spite of their early fitters, foreign investors appeared to take the same view as Mr Chubais, After an initial slide, the Russian stock market closed 2 per cent higher.

even better than now," he

said yesterday.

Mark Cooke, chief investment officer for Brunswick Capital Management, a London-based investment fund, said his fund had been buying shares yesterday morning while the market was

"The important thing to stress is that, with all the deviations from the path, the direction is still clear. The struggle [for reform] continues." he said.

Yet paradoxically, the biggest danger to economic reform could now be the political instability that Mr Yeltsin has just created. Every government bureaucrat will doubtless cower under their desk until the personnel changes are complete. There is a clear risk of policy paralysis after the removal of the two most senior members of the gov

ernmeat. The Russian government was forced yesterday to postpone a planned eurobond offering. It will be weeks before a permanent prime minister is approved by parliament, the new governnomic logic or what the Razgon, a member of Presi- Renaissance, the Russian ment is bedded down, and the reform course is made

not good for the markets. I "Even if the best possible scenario comes to pass, that should still entail a higher Weary and frustrated risk premium in the price of indifference was the most Russian securities than at any time since Yeltsin's reelection in 1996," concluded one stockbroker's research report last night.

With the removal of Rus sia's two leading reformers, the whole reform process is about to experience its most serious test: have the policies embodied by power ful individuals been effect ively translated into principles enshrined by insti-

#### **NEWS DIGEST**

#### FRENCH ELECTRICITY

#### Minister intervenes in EdF management dispute

France's finance minister, Dominique Strauss-Kahn, was obliged to intervene yesterday to head off an increasingly bitter dispute among the top management of EdF, the state-run electricity company, over how the utility should be run.

Mr Strause-Kahn called in Edmond Alphandéry, the EdF chairman, together with Pierre Daurès, the managing director and career company man. The two men are at loggerheads. A laconic note from the finance ministry after the meeting said

Mr Strauss-Kahn had "taken note of their willingness to work together". An EdF statement also indicated the two had agreed to respect their different management roles. Last week five senior members of the EdF management wrote

to the finance minister, urging him to intervene in the dispute between Mr Alphandery and Mr Duarès because it risked paralysing decision-making in the run-up to next year's deregulation of the European electricity market.

Mr Alphandéry was appointed in November 1995 but his ittempts to streamline management have come up against strong in-house resistance. Robert Graham. Paris.

#### **CORPORATE PROFITS**

#### Danish tax cut promised

Danish business received good news on two fronts yesterday when the government promised a reduction in corporate profits tax and fears of a strike by industrial, building and transport workers were lifted.

The prime minister, Poul Nyrup Rasmussen, who heads a minority government, promised a reduction in the 24 per cent corporate profits tax when he presented a policy statement agreed between the coalition partners.

The reduction was not specified. The cut will, however, be financed by broadening the tax base, the statement said. Strike fears were removed when the Federation of Danish Industries and the manufacturing industry trade union cartel, CO industri, agreed to conclude a new, two-year deal on wages and working conditions. Hillary Barnes, Copenhagen

#### CZECH ECONOMY

#### Trade drives GDP growth

Czech growth was a feeble 1.0 per cent last year, but gross domestic product rose in the final quarter by 2.2 per cent compared with the same quarter of 1996.

The Czech Statistics Office (CSU) revised its figures for GDP growth in the second and third quarters to show a rise of 0.5, per cent and a fall of 0.1 per cent respectively.

These figures demonstrate the impact of the government's austerity measures and the rise in interest rates as well as extensive flooding last July.

Though government spending, private consumption and investment remain subdued, growth is being driven by trade, particularly with Germany, which absorbs 35 per cent of Czech exports. February's trade deficit hit a three-year low of Kč3.6bn (\$106m), as exports jumped 45 per cent on the same month of 1996 and imports rose only 23 per cent. Robert Anderson, Prague

## Legal moves against World Cup organisers

#### and David Owen in Paris

The European Commission will today start formal legal proceedings against France's tickets on a first-come first-World Cup organisers for rigging ticket sales in favour of French supporters, and The CFO is the organisation France. The commissioner for refusing to make all the remaining 160,772 unsold tickets available exclusively to non-French spectators.

Commission last night offerserved basis that would include French nationals. which is running France 98,

as the World Cup is known. "This is not good enough," said a Commission official of A Commission official said the CFO head's offer. The cent of World Cup tickets that Jacques Lambert, the European Commission has directly - of discriminating

director-general of the the power to fine the CFO up in favour of French fans. CFO on its ticket sales policy ing to sell the rest of the last month, after it received complaints from national federations about the shortage of tickets for sale outside responsible for competition policy, Karel Van Miert. accused the CFO - which was allowed to sell 60 per

Comité Français d'Organisa- to 10 per cent of its turnover. He based this accusation ets. tion, had telephoned the Brussels challenged the on the grounds that these The CFO said last night it in France, and only buyers tickets could be bought only French Minitel teletext system. Purchasers are also under an obligation to pro-

The remaining tickets

of the total number of tick-discrimination in reverse".

was proposing to put 50,000 in France, from being able to by telephoning a number of the remaining tickets at buy a single ticket for a spethat can be dialled only the disposal of foreign federwithin France or via the ations. The others would be sold by the committee throughout Europe.

vide a French mailing refusal to exclude the desire of the committee and French public from access to the remaining tickets, Mr which are available for sale Lambert said that to do so

cific game of their choice he said. Such a curb would be "felt in France as a profound injustice and would be Explaining the CFO's totally at odds with the of the government to give a popular and festive charac-

## Catholic clergy back EU

POLISH SURVEY

country's entry into the European Union, according to a study conducted by the Institute of Public Affairs (ISP), an Independent think-tank.

With Poland's EU membership talks due to start in a week, 84 per cent of a representative sample of parish priests say they back EU entry. But the same number opt for an EU in which states retain their sovereignty, while a mere 14 per cent back a federalist model for the Union.

Priests remain important opinion-formers, especially in the countryside, where around 40 per cent of the population lives.

Currently 64 per cent of Poles back EU entry. The result belies Polish priests' image as a conservative force afraid of change and thus likely to oppose EU membership. The ISP notes that priests travel more and have a greater knowledge of foreign languages, mainly German and English, than the population at large. Christopher Bobinski, Warsaw

#### **Voters punish Greens** for petrol price threat The revision is meant to look, with the government

#### By Peter Norman in Bonn

Germany's environmental Green party has learned the cost of interfering in the nation's love affair with the

As Sunday's municipal elections in the northern German state of Schleswig-Holstein revealed a drop of 3.5 percentage points to 6.8 per cent in Green support, glum local party lead-ers trooped before the television cameras to explain how Green plans to triple petrol prices to DM5 (\$2.70) per litre in 10 years' time had resulted in a dramatic fall in voter support compared to local elections four years

Although German municipal elections generally focus on local matters, Sunday's Schleswig-Holstein polls assumed national significance as the first test of voter opinion since the nomination of Gerhard Schröder as the opposition Social Democratic party's challenger to Helmut Kohl for bold, the Green tourism pol-reach the voters.

September 27 general elec-

The elections also took place just two weeks after the Greens, who hope to be the SPD's junior partner in a coalition in Bonn, included the promise of gasoline at DM5 per litre in their election platform for the autumn.

For the Greens, the Schleswig-Holstein result was a warning that voters are looking much more closely at the party's election promises now that it has a chance of sharing power nationally. Joschka Fischer, Green leader in the Bundestag. Bonn's lower house of parliament, yesterday described Sunday's result as a defeat. He strongly criticised a fellow Green MP, Halo Saibold, who on polling day cast a shadow over that other cherished aspect of German life: the annual or twice-yearly holiday abroad.

Interviewed by Bild am Sonntag newspaper, Ms Sai-

**CONTRACTS & TENDERS** 

TAX ADMINISTRATION REFORM CONSULTANTS

CENTRAL BOARD OF REVENUE (CBR) GOVERNMENT OF PAKISTAN

The Central Board of Revenue is seeking (under a proposed World Bank/PHRD funded project)

Expressions of Interest by April 26, 1998, from Consulting Firms with cross country experience

(specially developing countries) in advising Government/Tax Authorities on Tax Administration Reforms

for enhanced revenue collection, efficiency and facilitation through Re-engineering of Processes and

complimentary IT support. Interested firms: (i) must provide information indicating that they are

qualified to perform the Services (brochures, description of similar assignments, experience in similar

Mr Riaz A. Malik, Secretary, Restructuring Committee,

Central Board of Revenue, Islamabad, Pakistan

Tel: 92-51-9207472 Fax: 92-51-9205308

conditions, availability of appropriate skills among staff), and (ii) obtain further information from:

the chancellorship in the icy specialist, called for a big increase in the price of jet fuel so that Germans would only fly on holiday once every five years.

The SPD's local and national leadership agreed that the party's 2.9 point gain to 43.4 per cent was a further step towards victory in September.

While Peter Hintze, general secretary of Mr Kohl's Christian Democratic Union, hailed a 1.6 point increase in the CDU vote to 39.1 per cent as an "encouraging signal", local leaders said the party would have performed better but for "negative influences" from the Bonn government. Sunday's elections saw support for the small Free Democrat party advance to 4.8 per cent from 4.4 per cent. They were also marked by a record low turnout of 62.8 per cent of the 2.2m citizens entitled to vote. Heinz-Werner Arens (SPD), president of the state legislature in Kiel, said this showed all parties must work harder to

## Spain eyes lower deficit

represent a mere 6.3 per cent would "create a situation of countries".

An investment-led surge in growth prospects has led the Spanish government to trim roughly another Pta160-165bn (\$1bn) off its expected budget deficit this year.

Spain's overall public deficit. which came in below forecasts last year at 2.6 per cent of gross domestic product, had been expected to fall to 2.4 per cent. Cristóbal Montoro, state

secretary for the economy. Spain was now chasing a target of 2.2 per cent, and described the new figure as "a political commitment". He said this was made possible by higher tax revenues resulting from economic per cent. growth as well as lower

underline Spain's credentials for participating in the European single currency, just before the European Commission and the European Monetary Institute present their reports on the candi-

date countries. Spain has meanwhile ungraded its growth forecast for this year from 3.4 per cent - which would have been the same as last year's

- to 3.7 per cent. Mr Montoro said the reviconfirmed yesterday that sion mainly reflected a strong trend in equipment spending by Spanish compagrowth for the year is now put at 8.2 per cent, compared with an initial forecast of 6.9

The growth trend has also interest rates on public debt. affected the employment out-

now expecting the net cre-350,000 jobs this year. This would mean the creation of almost 900,000 jobs

in the three years from 1996, the year the centre-right Popular party came to power. A similar number of iobs were lost in the recession of 1993-94.

Spain, with the highest unemployment rate in the European Union, was now creating jobs at five times the average EU rate, Mr Montoro said. The jobless rate, still standing officially nies. Overall investment at just over 20 per cent. could be cut by 1.5 per cent a year and in six or seven years Spanish unemploy ment would no longer be out of line with the rest of the

#### TURKISH ISLAMISTS

#### Yilmaz promises action

Turkey's prime minister, Mesut Yilmaz, yesterday promised a new ocvernment assault on Islamist activism, in line with the wishes of the secularist army.

He said the conservative-led coalition had prepared draft laws to tighten state controls on Islamic dress, education and protests. "The draft laws which were prepared by our government will be sent to parliament after being discussed at the cabinet meeting,"

The minority government was shaken at the weekend by an army statement that strongly criticised Mr Yilmaz for failing to do enough to combat what it saw as an Islamist challenge to Tur-

The prime minister promised that the authorities would keep a close eye on the Islamists' finances. "The monetary sources of fundamentalism will be monitored in co-ordination with the

finance ministry," he said. Mr Yilmaz says his government, formed last year to keep the Islam-based Welfare party from power, needs no prompting from the army. Welfare was outlawed by the constitutional court last month on charges of threatening secularism. Reuters, Ankara

## Serb fury at Kosovo school deal

#### By Guy Diamore in Pristina, Yugoslavia

Tens of thousands of Serbs demonstrated yesterday in the troubled province of Kosovo against an agreement to allow Albanian students to return to state schools and colleges for the first time in over seven years.

Even as the ink was drying on the agreement, signed by a Serbian government minister and a leader of the main ethnic Albanian party in Kosovo, angry Serb students hurled abuse at Vincenzo Paglia, a Catholic priest from the Rome-based St Egidio community which

negotiated the accord. idiots," shouted the students in Pristina University, where Monsignor Paglia tried to explain that the agreement first sign of compromise

the two communities. Under the accord, ethnic

in phases by June 30. The two sides failed to agree on a joint teaching programme, so Albanians and Serbs will be taught in separate shifts in their own languages with different curricula.

Most Albanian students in Kosovo have been studying in private homes, shops and state institutions in response to the dismissal of many of their teachers in 1990 and the imposition of a new edu-"Get out you garbage, you cation system in the Serbian language by the central government in Belgrade.

The agreement was the was intended to defuse the between the two sides since rejected by the nationalistic

ethnic conflict in Kosovo Serbian police killed over 80 and mark a first step Albanians in raids on sepatowards the co-habitation of ratist rebel strongholds in central Kosovo, Albanians make up about 90 per cent of

Albanian students will Kosovo's 2m people and gave return to state institutions strong support to Ibrahim Rugova, their pro-independence leader, in elections on Sunday that Belgrade said were illegal. Western governments

have pressed Slobodan Milosevic, the Yugoslav president, to make progress on the long-stalled education issue, but commentators on garages since boycotting both sides believe it has come too late to prevent what could well develop into a Bosnian-style ethnic war. Some diplomats believed that Mr Milosevic had made the compromise in an effort to avert the threat of further sanctions, knowing that segregation of schools would be

Western foreign ministers will meet in Bonn tomorrow

to decide whether to adopt further punitive measures against Belgrade in response to the crackdown. Serb student leaders from Pristina University

denounced the agreement at rally of more than 30,000 Serbs in the city centre as a "betrayal" of the Serbian people in Kosovo. The student leaders

insisted that Albanians follow the state curriculum in the Serbian language. Radivoie Papovic, the uni-

versity's fiercely nationalist dean, drew loud cheers from the crowd when he described the accord as a concession to "separatist terrorists".

"The Albanians should understand that they have to live with us. We don't have to live with them," he said.

FIVANCIAL TIMES
Published by The Fatancial Times (Europe)
GmbH, Nobetangemplatz 3, 60318 Frankfunt um Main. Germany. Telephone ++49
69 156 850. Fax ++49 69 596 4481. Represenated in Frankfart by J. Waher Brand.
Wilhelm J. Brüssel. Colin A. Kennarid as
Geschäfteführer auch in Lonaton by David
GM. Beh. Chairman, and Alan C. Miller.
Deputy Chairman. The shareholder of the
Financial Times (Europe) GmbH is Pearton. Gardens. London. W1X 1LE.
Shareholder of this company is Pearson
ple, registered at the same address
GERMANY: GERMANY:

FENANCIAL TIMES

RESPONSIVE FOR Advertising content: Colin A. Kennard, Printer: Fibrityet international Verlagogue-liechaft mbH. Admiral-Rosendah-Stresse 3a, 61263 Neu Isenburg ISSN 0174 7363. Responsible Editor: Richard Lumbert, clo The Finzneial Times Limited, Number One Southwark Bridge, London SE1 9811. Publishing Director, P. Maraviglia, 42 Rue La Bottle, 75008 PARIS, Telephone (01) 5716 8254, Fax (01) 5376 8253, Prunter S.A. Nord Echair, 13/21 Rue de Caure, F-39100 Routbaix Cedex I. Editor: Richard Laubert: ISSN 1148-2753. Commission Paritaire No 678082.

SWEDEN:

Johnging.
O The Financial Times Limited 1998.
Editor Richard Lambert, do The Financial
Times Limited, Number One Southwark
Beidge, London SE1 9HL.

هكذا من الدُّميل

## Chirac gives warning on extremists

By Robert Graham in Paris

President Jacques Chirac yesterday stepped in to add his weight to concern in the French political establishment over moves by centreright politicians to forge local alliances with the extremist National Front

after regional elections. At short notice, the president decided to make a nationwide television broadcast to warn of the dangers to French democracy of any embrace with the National

Officials at the Elysée palace declined to reveal the content of his speech, due at 8pm local time, but they said the president was likely to make plain his view that the National Front was racist, authoritarian and against a

single European currency. The president's interven-

By Michael Smith in Brussels

European carmakers appear

to have fended off the impo-

sition of laws forcing them

to cut carbon dioxide emis-

sions after volunteering a 25

the 15 European Union

nations yesterday welcomed

an offer by leading manufac-

turers to reduce average lev-

els to 140 grammes per kilo-

metre within a decade.

although they called for

talks aimed at achieving a

everything we wanted, but it

is a considerable improve-

Meacher, environment min-

ister of the UK, which holds

the EU presidency. "It is a

"It is not perfect, it is not

said Michael

further cut.

أيتخ وجبرن دوون

per cent reduction by 2008.

and the moderate UDF, which risk being the chief losers in the debacle that now threatens the French centre-right.

Last Friday leaders in five of France's regional councils ignored instructions from the RPR and UDF party headquarters and did deals with the National Front to ensure they kept control of their administrations. The alliances were seen as

conceding the political legitimacy the National Front has long craved under the leadership of Jean-Marie Le Pen. But Mr Le Pen failed yesterday to secure the post of chairman of the Provence-Alpes-Côte d'Azur region when centre-right politicians refused to back him. A Socialist was elected instead.

The deals nonetheless undermined the credibility of the RPR and UDF, whose tion also appeared designed morale has yet to recover to bolster the Gaullist RPR from their general election

CO<sub>2</sub> curbs fended off

Last year environment

binding cuts after Acea, an

association representing 11

leading carmakers, offered

They see bigger cuts as an

essential element in achiev-

ing a commitment by the EU

at a conference in Kyoto.

Japan, last year to cut greenhouse gases by 8 per cent

The European Commis-

sion, the EU's executive, is

working towards a target of

120 gm per km for CO. emis-

sions from average cars.

although it acknowledges

measures will be needed in

addition to any deal with

Ritt Bjerregaard, environ-

carmakers.

good basis for negotiation." ronment ministers in June a tries.

from 1990 levels by 2012.

155 gm per km by 2005.

ministers threatened legally steer consumers towards

sions.

for vehicles.

"landfill" sites:

initiative;



Michel Vauzelle, mayor of Aries, embraces Elisabeth Guigou, justice minister, after being el Provence-Alpes-Côte d'Azur chairman vesterday Picture Reuters

due in good measure to the 15 per cent support siphoned off from their potential elec-

models with low CO, emis-

Cut the disposal of waste

disposed of in so-called

· Reduce emissions of other

pollutants, including carbon

monoxide, from light vans as

part of the EU's "auto-oil"

Cut by nearly 60 per cent

The Commission is also

torate by the National Front. Yesterday Charles Millon, a former UDF defence minister and close associate of Mr Chirac, was under pressure to forgo the alliance be

defeat last year - a defeat National Front to retain the in similar circumstances. chairmanship of the Rhone-

Marc Censi, the UDF candidate for the Midi-Pyrénées region, resigned yesterday after he learned he won the presidency with National Front votes.

He was the third centreaccepted last Friday with the right member to resign

The regions have been traditional strongholds of the centre-right. But as the ruling Socialist-led coalition looked set to increase its hold from two to more than 10 regions, local centre-right party barons preferred to enlist National Front sup-

## Gazprom 12-year **Bulgarian deal**

By Kerin Hope and Theodor Troev la Sofia

considering fiscal incentives, but it would struggle to win Bulgaria plans to sign approval from EU nations contracts next month with for Union-wide tax systems Gazprom, the Russian gas monopoly, for a 12-year supply of natural gas which In separate developments environment ministers yeswould include large-scale terday also approved meatransfers to Turkey through

transit pipeline, industry officials said yesterday. The agreement reached in Moscow last week by Evgeni Bakardzhiev, the Bulgarian deputy prime minister, and Rem Vyakhirev, chairman of Gazprom, ends three years of political wrangling over the Russian company's role in Bulgaria's gas industry and marks a success for Bulgaria's pro-market government.

Gazprom is to increase gas deliveries to Bulgaria for transit from 6bn to 19.5bn cubic metres yearly. Most of the additional supply would be destined for Turkey, where demand for natural gas is increasing rapidly, but deliveries to Greece and Macedonia would also rise. Bulgargas, the state-owned

also undertaken to construct a new transit pipeline to carry Russian gas to Serbia. Under the terms of last week's agreement, Gazprom will increase its stake from 50 per cent to 100 per cent in Topenergy, the Bulgarian-Russian joint venture set up to mediate bilateral energy

Bulgarian gas company, has

## Union-wide tax harmonisation approaching step by step

This could even mean foreign finance ministers objecting in public to other countries' budgets, writes Wolfgang Munchau



**Preparing** for Emu

wheel ou Ist

The European Commission and the European Monetary Institute will command the public limelight tomorrow when they publish long-awaited reports detailing who will qualify for economic and monetary

But behind the scenes a much mere intricate operation has been going on, as EU finance ministers and central bankers prepare the ground for the post-Emu world.

At their informal meeting in York over the weekend, it became clear that after Emu, tax policy will no longer be an exclusively national

affair. In 1991, the European Union's Maastricht treaty set out that fiscal policy should be a matter of common concern. But even those who read the treaty were never entirely sure what this provision actually meant in

At York, ministers began to lay the groundwork for what could eventually EU officials, will be proposemerge as a definition of "common concern".

practice. .

Defenders of national sovereignty have reason to be interested, especially if they thought that national budgets would merely have to adhere to the German-inspired growth and stability pact, which seeks to encourage budgetary discipline.

At York, Theo Waigel, the German finance minister, proposed a five-point plan under which members of Emu should draw up their 1999 budgets in close co-operation with each other.

His proposal went so far as to suggest that unexpected budgetary surpluses should be used for debt repayment - probably one of the most interventionist taxation proposals ever attempted on the

Co-ordination implies the budget from a predomimore than just a courtesy nantly domestic context, had call between finance ministers the day before the publication of budgets. It is about active co-operation on the nitty-gritty details of bud-

gets themselves. It includes the possibility of foreign finance ministers raising objections, perhaps even in public.

A UK official said that tax co-ordination could be used creatively to achieve some of the desired micro-economic policy goals which have moved to centre stage under

the UK presidency. One area discussed at York was venture capital, a notoriously underdeveloped business in most of the EU. especially in comparison with the US.

One way for governments venture capital would be through the tax system, for example through the use of

The approach suggests that tax harmonisation will not occur as a single large reform package, but as a step-by-step process. Among the big-ticket items to hit the agenda at some point in the near future, according to

special tax breaks.

his process is driven by France and Germany. which fear that the single currency will encourage tax competition as companies relocate to areas with

als to harmonise corporate

taxes and savings taxes.

Ireland and the Netherlands are already seen as beneficiaries of lopsided corporation taxes rates across the EU. The German finance ministry is particularly concerned about the prospect of savers moving to tax havens, such as Luxembourg, where banks do not levy withholding taxes on savings.

low corporation tax.

Last week's UK budget also contained elements that brought the UK more in line with its European partners. UK commentators, judging process.

difficulty making sense of

some of these changes. Taxes and the environ ment are another area where Europe could move towards a common position, especially if the present German government were to be forced out of office in next

September's federal election. A coalition of Social Democrats and Greens is almost certain to introduce environmental taxes, especially a carron tax, as a centrepiece of its finance strategy.

This would suggest that the main thrust of EU tax co-ordination would be the use of national tax legislation to achieve joint European policy action.

It would make little sense if one EU country levied to encourage the growth of high energy taxes to protect the environment, while one of its neighbours used the tax system to subsidise the

use of motor cars. **Economists** and monetary officials still debate whether tax harmonisation is necessary for Emu to work. Under a benign scenario, assuming that Emu operates smoothly and generates few distortions, monetary policy is bound to be the predominant tool of macro-economic pol-

If Emu faces strains, closer fiscal co-operation could become a pressing issue. especially if economic cycles among participating members diverge.

Ireland and Spain, two of the strongest-growing EU economies, will receive an additional economic boost next year, when short-term interest rates are set to fall sharply as a result of the transition to Emu Some economists have warned that this could result in a boom-bust cycle in the absence of fiscal policy counter-measures.

The speed of fiscal harmonisation is still difficult to gauge. But policymakers

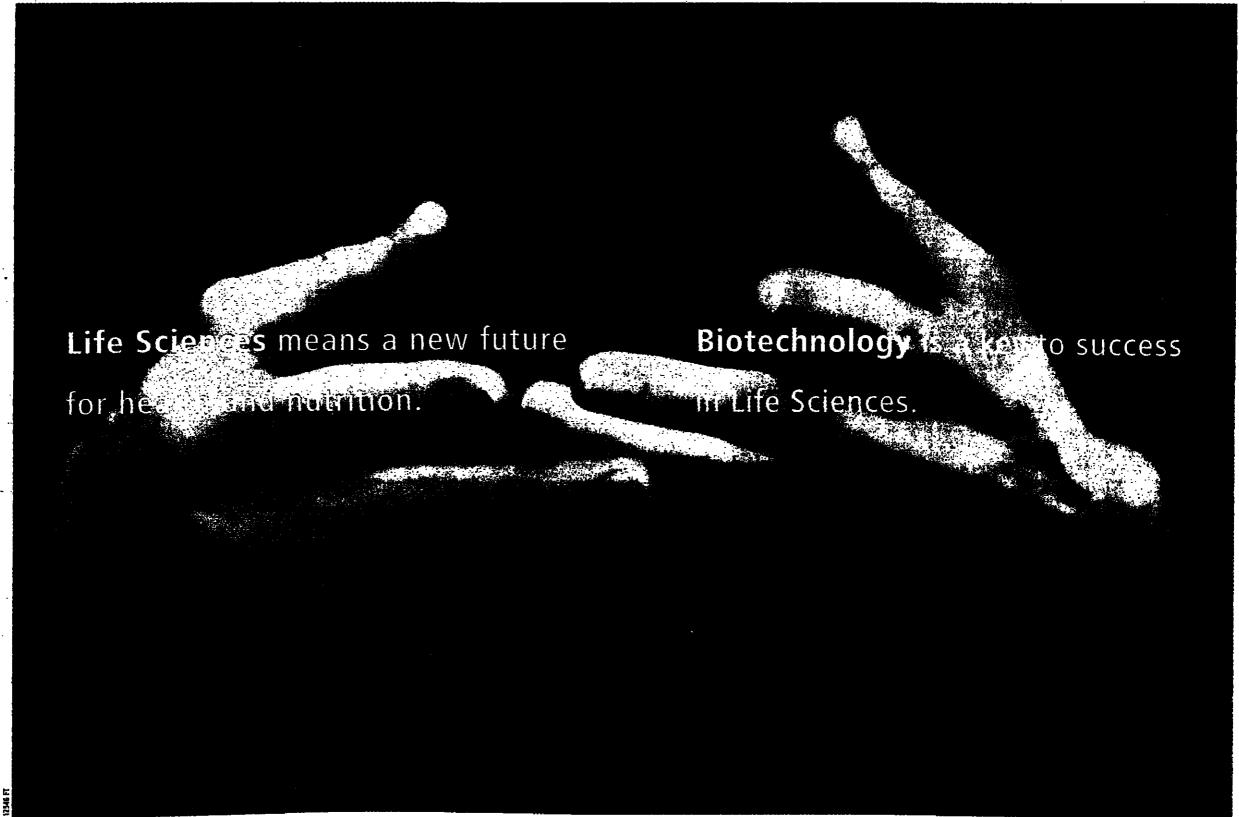
Health and nutrition are predominant concerns of the future in which biotechnology holds the key to innovation. Hoechst Marion Roussel,

our pharmaceutical company, is utilizing biotechnology to develop highly effective drugs in the fight against currently incurable diseases. Our agribusiness, Hoechst Schering AgrEvo, is ensuring nutrition for the world's growing population through integrated crop production.

ment commissioner, is the amount of solvent emis-

expected to propose to envi-sions from a range of indus-

The Future in Life Sciences Hoechst



## Indonesia in big interest rate increase

boost the rupiah and bring inflation. down inflation, meeting a key demand of the International Monetary Fund.

The rupiah strengthened to Rp8,900 to the US dollar in response and was trading at variables increased rela-Rp9,175 by the late afternoon, compared with Rp9,700 at Friday's close

rise of one-month rates from Indonesia nearly doubled its 22 per cent to 45 per cent, interest rates yesterday to aimed to slow the rise in

> change very much in February." Mr Sabirin said, "but making progress on talks early indications suggest about revising an earlier that these two monetary tively highly in March."

trai bank, said the sharp rise team of IMF officials review-

in interest rates, including a ing reforms in Jakarta this plexed banks and businesses week, said the move was "welcome as part of the government's strategy to control inflation and strengthen the "M1 and M2 did not rupiah." Mr Nelss added Indonesia and his team were

of a 5 per cent tax slapped on Hubert Nelss, director of foreign exchange purchases the Asia Pacific Department last Friday, or of its equally Sjahril Sabirin, governor of the International Mone- abrupt cancellation yesterof Bank Indonesia, the cen- tary Fund and head of a day, just after it took effect. The surprise tax had per-

agreement on reforms.

and had so many loopholes that most felt it would do little to reduce demand for

The finance ministry denied receiving any objections from the IMF over the weekend but most analysts assumed the fund pushed Mr Neiss made no mention the ministry to back down. The cancellation left con-

cern in the market that the government may yet introduce some other measure to restrict capital flows, although one government

unlikely.

"The problem is not stopping the money going out - it's already gone," he said. ening the rupiah because it's just too weak."

The new interest rates may still lag inflation, which making big purchases but some economists believe has banking analysts presume already surpassed 50 per cent. But for most borrowers, who are unable to pass on high interest rates in than \$2bn in such contracts.

ing demand for their goods, the squeeze is bound to be painful.

Currency traders said the "The challenge is getting the rate increase did attract formoney back in. They are eign speculators, mostly very serious about strength- from Singapore, but failed to dissuade state banks from buying dollars.

Banks contacted denied that they were meeting forward swap obligations. Exim Bank alone has more

and delayed the award of a

second licence pending a legal dispute which involved

two of the candidates. Hong-

kong Telecom thus begins

with no direct competition.

tion in the form of satellite

and cable TV as well as

video shops and are not

hopeful that Hongkong Tele-

com IMS will prove a strong

#### **NEWS DIGEST**

HONG KONG

#### Retail sales plummet by 11% in January

Hong Kong's retail sales plunged in January, falling by more than 11 per cent in terms of value and volume, as the region's financial crisis shook consumer confidence. The downturn in January, compared with a year earlier, followed sharp falls in December. With the absence of any upturn ahead of the Chinese new year, the sales figures underlined the severity of the decline in the territory's

January's downturn also reflected a bout of turmoil on Hong Kong's financial markets as the regional crisis raised concerns about the territory's currency link to the US dol-

lar, sending interest rates higher. Behind the 11 per cent fall in the value of retail sales in January, and the 12 per cent fall in volumes, lay a continued sharp decline in department store sales. After falling by 26 per cent in value terms in December, they fell by 17 per cent in January. John Ridding, Hong Kong

#### PHILIPPINES BANKING

#### **Bad debts show increase**

Bad debts in the Philippine banking system rose to 4.69 per cent as of the end of December but were substantially lower than those of its neighbours, according to central bank figures. Non-performing loans increased from 2.8 per cent a year ago, as the effects of the Asian crisis started to filter through into defaults.

The central bank stressed that 4.69 per cent for NPLs was "relatively low", citing figures showing a comparable level of at least 11 per cent in Thailand, 14 per cent for state banks in Indonesia and more than 20 per cent in Korea. Loan growth, which has been meteoric during the past several years, slowed from 41 per cent in 1996 to just 4.9 per cent, as banks raised rates and squeezed credit to adjust to the economic downturn.

Loan loss provisions grew from 1.24 per cent a year ago to 2.21 per cent. Justin Marczzi, Manila

#### CAMBODIAN POLITICS

#### Prince Ranariddh plans return

Prince Norodom Ranariddh, the ousted Cambodian coprime minister, plans to return to Cambodia on March 30 following a pardon by his father, an aide said yesterday. King Norodom Sihanouk at the weekend granted full amnesty to his son, who earlier this month was convicted in absentia of security crimes after he was ousted in a bloody coup last July by co-premier Hun Sen.

The king's pardon clears the way for Prince Ranariddh to go home and contest the July 26 general elections. Prince Ranariddh thanked his father for the pardon and also said he wanted to "pay homage" to Hun Sen for thinking of the interests of the people in supporting the amnesty. Two military courts had sentenced Prince Ranariddh to a total of 35 years in jail for smuggling weapons and plotting a coup, and ordered him to pay more than \$50m in damages from the July fighting between his forces and government troops. Reuters, Bangkok

#### **INDIAN ALLIANCE**

#### **Government prospects brighten**

The prospetts of the new Hindu nationalist-led government in a knife-edge confidence vote later this week improved when a key member of India's opposition United Front alliance broke away yesterday. The regional Telugu Desam party (TDP) had earlier declared itself neutral on the confidence vote. But yesterday it left the 15-party alliance cobbled together two years ago to stop the Hindu nationalists

from coming to power.

Prime Minister Atal Behari Vajpayee's BJP-led minority coalition needs the Telugu Desam's declared neutrality to win the March 27-28 confidence debate. The coalition has 264 of 539 seats in the lower house, less than a majority.

"I have decided to quit the Front and protect my self-pride and safeguard the interests of the state," said Chandrababu Naidu, head of the TDP and chief minister of

the southern state of Andhra Pradesh. Reuters, New Delhi

## Hong Kong plugs in to interactive TV

By Louise Lucas in Hong Kong

Hong Kong became the first interactive TV yesterday, blazing a trail for other Asian and western coun-

The pioneering service which pays homage to local passions by running "racing on demand" alongside the demand, home banking and shopping – was unveiled by graphic and demographic Hongkong Telecom, the dom- advantages. As a densely Hong Kong has all the right inant carrier, and Tung populated city where most attributes for interactive

giant screens, billowing smoke and fluttering glitter, Linus Cheung, chief executive of Hongkong Telecom, said: "It is clearly evident that Hong Kong is ready for the arrival of a new era; the information age."

The territory is regarded as a natural market for VOD, boasting both geo-

Kong. the economics of wiring up Speaking amid a raft of homes are more attractive than in spread-out towns. Hong Kong has also been at the forefront of advanced technology, and today boasts

more fibre optic network

below ground - more than 220,000 km of it - than the whole of Germany. "We believe that having a population with a high disposable income as well as an appetite for new technology,

Chee-hwa, leader of Hong people live in tower blocks, media services develop- least in Singapore and Malment, which received four Kong.

Kong. the economics of wiring up ment," said William Lo, aysia where Prime Minister bids for two licences, managing director of Hongspearheaded the service. There is also an element of

> national pride. Mr Tung in his maiden policy address last year earmarked development of an information society, and recently created a new government department, the Information Technology and Broadcasting Bureau. It is an area which has been seized on by other government leaders, not

Mahathir Mohamad has out- rejected two submissions lined plans for a M\$35bn (\$9.6bn) plus multimedia super corridor - which have been somewhat derailed by the Asian financial crisis.

Hongkong Telecom's own plans to be on-stream in 1997 Analysts, however, say (the year when China there is a wealth of competiresumed sovereignty over Hong Kong and therefore a "special" year) were scuppered by bureaucracy over

In the end the govern-

the issue of licences.

commercial proposition.



opening ceremony of this year's parliamentary session in Kuala Lumpur yesterday. The king urged the country to keep confidence

#### as bad news at last bursts out Kuala Lumpur cannot disguise the severity of the financial crisis, writes Sheila McNuttv And so the bad news has Until now, Malaysia's big- authorities have been he concrete pillars on

Malaysians realise their predicament

which Malaysia's monorail was to run through the capital later this year stand unfinished and the vehicle sales plunged 68 per ing and attempt to restrucscaffolding silent. The Asian cent in February over the financial crisis has forced the builders to delay work as they seek financing.

Its prominent location has to gauge the impact of the acquisition will be forced on tests; and so on. crisis. The monorail's skeleton now stands as a monu- Lumpur Stock Exchange Malaysians are facing as the trading of Halim Securities regional crisis takes hold of because it broke trading the country.

Mounting bad news in

best they can," he said, "but plan to merge all finance they can't have their fingers in all these different dykes."

burst out. Yesterday alone, the Malaysian Motor Traders upon them". The Kuala ment to the difficulties said it would take over the

restrictions. Before that, Sime Bank recent weeks has led econo- announced a M\$1.81bn not to accept international mists to think Malaysia is (\$496m) pre-tax loss in the starting to experience the six months ended December pain that has for months 31, pushing its parent Sime uty prime minister and plagued its neighbours and Darby into the red with a finance minister, is now rates and was reviewing a that the authorities can no M\$676.2m loss for the same talking about the possibility longer shield citizens from period; national carmaker of accepting a World Bank Proton projected a 60 per Neil Saker, head of cent plunge in domestic regional economic research car sales for the coming policies to deal with the criat SocGen-Crosby in Singa- financial year; five big corpopore, said the situation is far rate deals were dismissed by sla's economic growth foreworse than the authorities analysts as bailouts and the central bank was forced to micromanaging bad news as back down on its original

companies and some com-

mercial banks by March 31.

gest steps have been to delay equally slow to follow the costly infrastructure pro-Association reported that jects, cut government spendture the financial sector. year-earlier period. And the Beyond that they have insti-Securities Commission set tuted what economists disdeadlines for eight stock- miss as a myriad "symbolic" broking firms, which already measures: the "Buy Malayhighlighted the delay in a have had their trading sia" campaign; calls for the country where media con- restricted, to submit plans to public to grow its own vegetrols and limited transpar- regularise their financial tables; directives for governency have made it difficult positions or "a merger or ment hospitals to cut back

> conomists insisted those efforts were never going to be enough and say recent events have made the government realise that.

> That is why, after vowing have, Anwar Ibrahim, deploan. And he has said that today he will announce new sis and revise down Malaycast, which already has gone from 7 per cent to between 4 per cent and 5 per cent.

assistance as its neighbours But economists are cautions about building up

to seek ways to revive the economy. He said in a recent interview that he would soon make additional recommendations to the authorities: increase transparency in the financial sector, cease lending for commercial, retail and hotel property: and give individuals small loans to create businesses as he did in the mid-1980s to pull the country out of its

recommendations Daim

Zaimuddin, economic adviser

to the government and

leader of what economists

call the country's "virtual"

International Monetary

out, Mr Daim has continued

He also said he would not rule out raising interest number of sectors to liberal ise restrictions on foreign participation. But like the IMF, Mr Daim

is an outsider and realises the success of his programme is contingent upon its acceptance by the powers that be. Mr Anwar's announcement this week should provide the first clue on whether they are finally expectations. After all, the ready to take his advice.

in the government to deal with the economic slowdown Picture AP

# www.financewise.com

Powered by IBM

#### CONTRACTS & TENDERS

#### .ithuanian **Airlines** ANNOUNCES

a tender for design and roduction of the uniforms for its pliots and cabin attendent

The terms of the tender may be obtained till April 1, 1998 st: 2038 Vilnius

Fax: (370-2) 266 828 ention: Or E Skerstom

#### **Appointments** Advertising

appears in the UK edition every Monday, Wednesday & Thursday and in the international edition every Friday.

For further information please contact: **Toby Finder-Crofts** +44 0171 873 4027

#### BUSINESS WANTED?

You want to advertise in the **Financial** 

Times. For further

information

please contact

Marion

Wedderburn

+44 0171 873 4874

## Blow to Japan's INTERNATIONAL ECONOMIC INDICATORS: PRICES AND COMPETITIVENESS Yearly figures are shown in index form with the common base year of 1986. The real exchange rate is an index throughout; other quarterly and monthly the percentage change over the corresponding period in the previous year and are postive unless otherwise stated. carmakers as local sales drop

By Paul Abrahams in Tokyo

All of Japan's five leading automotive manufacturers suffered double digit declines in domestic sales during February compared with the same month last year. The collapse underlined the deteriorating operating environment caused by the Japanese recession. The decline was exagger-

ated by last year's boom in

sales, as consumers rushed

to make big purchases

before April's increase in sales tax. However, analysts said month-on-month seasonally adjusted figures also made grim reading. Moreover, the sales decline did not fully reflect the groups' plunging

profitability. To maintain sales even at present levels, manufacturers are having to offer huge discounts to dealers. This

Three of the groups -Toyota, Nissan and Honda -managed partially to offset exports, particularly to the US and Europe.

Their ability to continue to hoping for an upturn in export their way out of trou- April, said Enda Clarke, ble may be limited by politi- automotive analyst at Dresdcal pressure from interna- ner Kleinwort Benson. Howtional trading partners, particularly the US and Europe, Last week Andrew Card, president of the American Automobile Manufacturers' Association, complained of escalating imports boosted

Export sales are poten tially more profitable than domestic sales, says Peter Boardman, automotive analyst at SBC Warburg. This is tend to be larger and more expensive. He estimates Toyota can

make Y450,000 on each unit, compared with Y350,000 on a domestic car. However, Mitsubishi Motors and Mazda, hampered by lacklustre models posted falling exports last

All the manufacturers are burdened with huge inventories, having misread the market last year. To compensate they are tending to cut domestic production.

Toyota, the biggest of the manufacturers, appeared to kick the trend last month by actually increasing output 10 month Mitsubishi Motors per cent. But Mr Boardman issued a profits warning, said this was because in the revealing it would make a same month last year pronet loss of Y110bn (\$843m). duction had been halted at one of the company's factories following a fire.

He said he expected prothe collapse in domestic reg-duction to fall 13 per cent istrations by increasing this month and as much as 20 per cent in May. The manufacturers were

> ever, he said a meaningful trend would not be properly established until August, when most employees were paid bonuses and when new models were traditionally

	UNITED	STATE	S ·			JAPAN					GERMAN	Y			
	Consesser priors	Producer prices	Bersings	Link labour costs	Read exchange rate	Commune prices	Producer, prices	Brakes	Link lebour costs	Rasi enclasge rate	Congrange	Prednoer prices	Seminge	Unit Inbour costs	Real earchan rate
1987 1988	105.6 109.9	100.7 103.2	103.9 106.8	98.4 100.2	76.1 71.0	101.3	92.5	103.1	100.0	122.9	100.1	95.0	107.9	107.1	110.
1969	115.2	108.5	100.0	101.9	74.9	102.3 105.1	92.3 94.2	. 107.8 114.0	96.0 96.8	131.0 123.5	101.4 104.2	96.2 99.3	112.6 117.1	106.9 108.0	109. 107.
1990	121.5	113.9	113.5	104.9	73.2	108.3	95.7	120.1	99.7	108.2	107.0	101.0	123.5	110.3	109
1991 1992	126.6 130.4	11 <b>6.3</b> 117.7	117.3 120.1	108.4 108.3	74.1 74.0	111.9	96.8	124.2	103.9	113.2	110.9	103.4	131.3	109.6	107.
1993	134.3	119.2	123.1	108.8	76.4	114.0 115.4	95.9 94.3	125.6 125.8	112.8- 118.8	114.5 131.9	116.5 121.7	104.9 105.1	138.2 145.6	115.3 119.4	110. 111.
1994	137.8	119.9	126.5	108.5	74.1	116.2	92.6	128.4	118.5	137.3	125.1	105.7	150.8	112,1	109
1995	141.7	122.2	129.7	108.2	68.7	115.9	92.0	132.5	115.8	138.3	127.4	107.5	155.8	110.8	174
1996 1997	145.8 149.2	125.4 125.9	133.9 138.1	108.2 108.2	73.3 78.8	115.8 117.4	90.4 91.0	135.8 139.7	113.3 110.1	118.6 112.8	129.3 131.5	107.1 108.2		109.7	109.
														103.2	104.
1st qtr.1997 2nd qtr.1997	2.9 2.3	2.1 0.4	3.6 2.9	-0.3 -0.8	77,9 78,1	- 0.0 1.5	-0.9 1.3	5 <u>.2</u> 29	-5.0 °	110.0 114.2	1.7 1.6	0.6 1.1	л.а.	-6.2	106.
3rd qtr.1997	22	-0.1	2.7	1,4	79.1	1.7	1.3	27	-4.3 -2.8	117.5	1.9	1.4	ᄺ	-5.0 -6.1	105. 103.
4th gtr.1997	1.9	-0.7	. 3.4		79.9	2.1	1.1	1.8	1.1	109.5	1.8	1.1	n.a.	-5.5	104.
March 1997	2.8	1.5	4.3	-0.3	78.9	0.0	-0.7	2.7	-6.0	109.5	1.5	0.7	Π.a.	-5.9	105.
April	25	0.8	28	-0.7	79.3	1.2	1.3	2.6	-3.1	109.2	1.4	0.9	n.a.	-4.9	105.
May : June	2.2 2.3	0.4 -0.1	3.0 2.B	-0.7 -0.9	77.J 77.A	1.4 1.9	1.4	2.9 3.0	-5.1 -5.3 .	114.3 119.2	1.6 1.7	1.1 1.4	1747	-4.0	105.
July	22	-0.2	2.5	-1.2	78.3	1.4	1.3	3.2	-3.3	119.6	1.9	1.4	n.a. n.a.	-6.1 -9.3	104. 103.
August	2.2	-02	2.8	-1.6	79.7	1.6	1.3	2.9	-1.8	118.5	2.0	1.5	n.a.	-4.1	103.
September October	2.2 2.1	0.0 -0.3	2.7 3.5	-1.5	79.6 79.1	22 24	1.4 1.3	1.5	-3.2	114.3	1.9	1.4	<b>п.а</b> .	-5.1	103.
November	1.8	-0.8 -0.8	3,4		79.5	20	1.3	1.5 1.8	-1.3 3.1	113.2 108.8	1.8 1.9	1.2 1.2	ᇜ	-6.2 -4.1	104. 104.
December	1,7	-1.2	3.2		81.3	1.8	0.9	1.5	1.4	106.5	1.8	1.1	n.a.	-6.2	103.
January 1996	1.6	-1.8	2.9		81.9	2.0	0.9	-1.4		107.9	1.3	0.7	n.s.		103.
February	1.4	-1.6			<del>00.9</del>					110,8	1.1	-0.7	n.a.		103,
	FRANC	Ė				ITALY	-				THE PARTY OF THE P	KINGDO	u		
l	LING	5				HALI							<b>51</b>		
	Conser	-		Dalk	Real		Producer		Unit	ited	OMITED		en.		Real
	Consumer prices	Producer prices	-	abour easts	100 min	Consumer prions	Producer prices	Entrainge	Unit inbogr. opets		Consumer	Producer prices	en Earnings	Unit Inhoor costs	Real exchange rate
1987	Consumer prices 105.9	Producer prices 98.1	107.8	acets 103.0	nte 104.7	Constant priose	102.2	111.6	105.5	102.1	Compuner prices 107.7	Producer prices 104.9	Estates 116.3	toots 106.2	94.
1988	Conseser patoss 105.9 108.8	Prediscer prices 98.1 102.9	111.5	103.0 104.1	104.7 102.1	111,0 116.5	102.2 105.7	111.6 118.4	106.5 109.7	102.1 100.9	Consumer prices 107.7 113.0	Producer prices 104.9 108.7	116.3 126.2	106.2 108.8	94. 101,
	Consumer prices 105.9	Producer prices 98.1	111.5 115.8	acets 103.0	nte 104.7	Constant priose	102.2	111.6	105.5	102.1 100.9 105.1	107.7 113.0 121.8	104.9 108.7 113.9	116.3 126.2 137.2	106.2 108.8 114.1	94. 101. 100.
1988 1989 1980 19 <del>9</del> 1	105.9 108.8 112.6 116.5 120.2	98.1 102.9 108.2 107.1 105.9	111.5 115.8 121.5 127.1	103.0 104.1 105.2 109.6 113.4	104.7 102.1 99.7 102.9 100.7	111.0 116.5 124.2 131.7 140.3	102.2 105.7 112.0 116.2 120.0	111.6 118.4 125.6 134.7 147.9	106.5 109.7 112.3 118.8 129.6	102.1 100.9 105.1 111.9 113.1	Consumer prices 107.7 113.0	Producer prices 104.9 108.7	116.3 126.2	106.2 108.8	94. 101, 100, 101.
1988 1989 1987 1991 1992	105.9 108.8 112.6 116.5 120.2 123.1	98.1 102.9 108.2 107.1 105.9 104.3	111.5 115.8 121.5 127.1 132.3	103.0 104.1 105.2 109.6 113.4 115.6	104.7 102.1 99.7 102.9 100.7 104.2	111.0 116.5 124.2 131.7 140.3 147.7	102.2 105.7 112.0 116.2 120.0 122.3	111.6 118.4 125.6 134.7 147.9 155.9	105.5 109.7 112.3 118.8 129.6 134.5	102.1 100.9 105.1 111.9 113.1 109.5	107.7 113.0 121.8 193.3 141.2 146.4	104.9 108.7 113.9 121.0 127.5 131.5	116.3 126.2 137.2 150.1 162.4 173.1	106.2 108.8 114.1 121.6	94. 101. 100.
1988 1989 1980 1981 1991 1992 1993	105.9 108.8 112.6 116.5 120.2 123.1 125.6	98.1 102.9 108.2 107.1 105.9 104.3 101.8	111.5 115.8 121.5 127.1 132.3 135.6	103.0 104.1 105.2 109.6 113.4	104.7 102.1 99.7 102.9 100.7 104.2 106.6	111.0 116.5 124.2 131.7 140.3 147.7 153.9	102.2 105.7 112.0 116.2 120.0 122.3 128.9	111.6 118.4 125.6 134.7 147.9 155.9 161.6	105.5 109.7 112.3 118.8 129.6 134.5 136.9	102.1 100.9 105.1 111.9 113.1 109.5 96.2	107.7 113.0 121.8 133.3 141.2 146.4 148.7	104.9 108.7 113.9 121.0 127.5 131.5 136.7	116.3 126.2 137.2 150.1 162.4 173.1 180.9	106.2 108.8 114.1 121.6 127.9 128.2 127.6	94. 101. 100. 101. 104. 100. 93.
1988 1989 1987 1991 1992	105.9 108.8 112.6 116.5 120.2 123.1 125.6 127.7	98.1 102.9 108.2 107.1 105.9 104.3 101.8 102.7	111.5 115.8 121.5 127.1 132.3 135.6 138.2	103.0 104.1 105.2 109.6 113.4 115.6	104.7 102.1 99.7 102.9 100.7 104.2	111.0 116.5 124.2 131.7 140.3 147.7 153.9 160.0	102.2 105.7 112.0 116.2 120.0 122.3 128.9 131.6	111.6 118.4 125.6 134.7 147.9 155.9 161.6 167.0	105.5 109.7 112.3 118.8 129.6 134.5 196.9 138.1	102.1 100.9 105.1 111.9 113.1 109.5 96.2 93.3	107.7 113.0 121.8 133.3 141.2 146.4 148.7	104.9 108.7 113.9 121.0 127.5 131.5 136.7 140.1	116.3 126.2 137.2 150.1 162.4 173.1 180.9 189.5	106.2 108.8 114.1 121.6 127.9 128.2 127.6 127.1	94. 101. 100. 101. 104. 100. 93. 94.
1988 1989 1990 1991 1992 1993 1994 1995	105.9 108.8 112.6 116.5 120.2 123.1 125.6 127.7 130.0	98.1 102.9 108.2 107.1 105.9 104.3 101.6 102.7 109.7	111.5 115.8 121.5 127.1 132.3 135.6	103.0 104.1 105.2 109.6 113.4 115.6	104.7 102.1 99.7 102.9 100.7 104.2 106.6 106.1 106.1	111.0 116.5 124.2 131.7 140.3 147.7 153.9 160.0 168.0 175.0	102.2 105.7 112.0 116.2 120.0 122.3 126.9 131.6 142.0 144.7	111.6 118.4 125.6 134.7 147.9 155.9 161.6	105.5 109.7 112.3 118.8 129.6 134.5 136.9	102.1 100.9 105.1 111.9 113.1 109.5 96.2	107.7 113.0 121.8 133.3 141.2 146.4 148.7	104.9 108.7 113.9 121.0 127.5 131.5 136.7	116.3 126.2 157.2 150.1 162.4 173.1 180.9 189.5 198.0	106.2 108.8 114.1 121.6 127.9 128.2 127.6 127.1 131.7	94. 101. 100. 101. 104. 100. 93. 94.
1988 1989 1980 1991 1992 1993 1994 1995	105.9 105.9 108.8 112.6 116.5 120.2 123.1 125.6 127.7 130.0	98.1 102.9 108.2 107.1 105.9 104.3 101.8 102.7 109.7	111.5 115.8 121.5 127.1 132.3 135.6 138.2 141.5	103.0 104.1 105.2 109.6 113.4 115.6	104.7 102.1 99.7 102.9 100.7 104.2 106.6 106.1 106.1	111.0 116.5 124.2 131.7 140.3 147.7 153.9 160.0 168.6	102.2 105.7 112.0 116.2 120.0 122.3 128.9 131.6 142.0	111.6 118.4 125.6 134.7 147.9 155.9 161.6 167.0 172.2	105.5 109.7 112.3 118.8 129.6 134.5 196.9 138.1	102.1 100.9 105.1 111.9 113.1 109.5 96.2 93.3 90.3	107.7 113.0 121.8 133.3 141.2 146.4 146.4 157.6	Producer prices 104.9 108.7 113.9 121.0 127.5 131.5 136.7 140.1 146.0	116.3 126.2 137.2 150.1 162.4 173.1 180.9 189.5	106.2 108.8 114.1 121.6 127.9 128.2 127.6 127.1	94. 101. 100. 101. 104. 100. 93. 94. 90.
1988 1989 1990 1991 1992 1993 1994 1995	105.9 108.8 112.6 116.5 120.2 123.1 125.6 127.7 130.0	98.1 102.9 108.2 107.1 105.9 104.3 101.6 102.7 109.7	111.5 115.8 121.5 127.1 132.3 135.8 138.2 141.5 144.9	103.0 104.1 105.2 109.6 113.4 115.6	104.7 102.1 99.7 102.9 100.7 104.2 106.6 106.1 106.1	111.0 116.5 124.2 131.7 140.3 147.7 153.9 160.0 168.0 175.0	102.2 105.7 112.0 116.2 120.0 122.3 126.9 131.6 142.0 144.7	111.8 118.4 125.6 134.7 147.9 155.9 161.6 167.0 172.2 175.3	105.5 109.7 112.3 118.8 129.6 134.5 196.9 138.1	102.1 100.9 105.1 111.9 113.1 109.5 96.2 93.3 90.3 101.9	Community prices 107.7 113.0 121.8 133.3 141.2 146.4 148.7 152.4 157.6 161.5 166.5	Producer patces 104.9 108.7 113.9 121.0 127.5 131.5 136.7 140.1 146.0 149.8 151.5	116.3 126.2 137.2 150.1 162.4 173.1 180.9 189.5 198.0 206.8 215.8	106.2 108.8 114.1 121.6 127.9 128.2 127.8 127.1 131.7 138.8 143.3	94. 101. 100. 101. 104. 100. 93. 94. 90. 93.
1988 1989 1990 1991 1992 1993 1994 1995 1996 1997 1st qtr.1987 2nd qtr.1987	105.9 108.8 112.6 116.5 120.2 123.1 125.6 127.7 130.0 132.6 134.2	Predictor prices 98.1 102.9 108.2 107.1 105.9 104.3 101.6 102.7 105.8 105.2 -2.6 -0.8	111.5 115.8 121.5 127.1 132.3 135.8 138.2 141.5 144.9 149.0	103.0 104.1 105.2 109.6 713.4 115.6 118.1	104.7 102.1 99.7 102.9 100.7 104.2 106.1 106.1 106.2 102.1	111.0 116.5 124.2 131.7 140.3 147.7 153.9 160.0 168.6 175.0 178.2	102.2 105.7 112.0 116.2 120.0 122.3 126.9 131.6 142.0 144.7 146.6	111.8 118.4 125.6 134.7 147.9 156.9 161.6 167.0 172.2 175.3 181.6	105.5 109.7 112.3 118.8 129.6 134.5 136.9 138.1	102.1 100.9 105.1 111.9 113.1 109.5 96.2 93.3 90.3 107.9 102.6	107.7 113.0 121.8 133.3 141.2 146.4 146.4 157.8 161.5 166.5	Producer prices 104.9 108.7 113.9 121.0 127.5 131.5 136.7 140.1 146.0 149.8	116.3 126.2 157.2 150.1 162.4 173.1 180.9 189.5 198.0 206.8	106.2 108.8 114.1 121.6 127.9 128.2 127.6 127.1 131.7 138.8 143.3	94. 101. 100. 101. 104. 100. 93. 94. 90. 93.
1988 1989 1990 1991 1992 1993 1994 1995 1996 1997 1st qtr.1987 2nd qtr.1987 3rd qtr.1987	105.9 108.8 112.6 116.5 120.2 123.1 125.6 127.7 130.0 132.6 134.2	Preducer prices 98.1 102.9 108.2 107.1 105.9 104.8 102.7 109.7 105.2 -2.6 -0.5	111.5 115.8 121.5 127.1 132.3 135.8 138.2 141.5 144.9 149.0 3.0 2.7 2.8	103.0 104.1 105.2 109.6 113.4 115.6 118.1	104.7 102.1 99.7 102.9 100.7 104.2 106.6 106.1 106.1 106.1 106.1 102.1	111.0 116.5 124.2 131.7 140.3 147.7 158.9 160.0 168.6 175.0 178.2 2.4 1.6 0 1.5	102.2 105.7 112.0 116.2 120.0 122.3 126.9 131.6 144.7 146.6	111.6 118.4 125.6 134.7 147.9 155.9 161.6 167.0 172.2 175.3 181.6	106.5 109.7 112.3 116.8 129.6 134.5 136.9 138.1 138.1	102.1 100.9 105.1 1113.1 113.1 1109.5 96.2 93.3 90.3 90.3 107.9 102.6	107.7 113.0 121.8 133.3 141.2 146.4 148.7 152.4 157.6 161.5 166.5	Producer prices 104.9 108.7 113.9 121.0 127.5 136.7 140.1 146.0 149.8 151.5 1.2 1.0 1.3	116.3 126.2 137.2 150.1 162.4 173.1 180.9 189.5 198.0 206.8 215.8	106.2 108.8 114.1 121.6 127.9 128.2 127.6 127.1 131.7 138.8 143.3 3.4 3.0 2.5	94. 101. 100. 101. 104. 100. 93. 94. 90. 93.
1988 1980 1991 1991 1992 1993 1994 1995 1996 1997 1st qtr.1997 2nd qtr.1997 4th qtr.1997	105.9 108.8 112.6 116.5 120.2 123.1 125.6 127.7 130.0 132.6 134.2	Predictor prices 98.1 102.9 108.2 107.1 105.9 104.3 101.6 102.7 105.8 105.2 -2.6 -0.8	111.5 115.8 121.5 127.1 132.3 135.8 138.2 141.5 144.9 149.0	103.0 104.1 105.2 109.6 713.4 115.6 118.1	104.7 102.1 99.7 102.9 100.7 104.2 106.6 106.1 106.1 106.2 102.1	111.0 116.5 124.2 131.7 140.3 147.7 153.9 160.0 168.6 175.0 178.2 2.4 1.6 1.5	102.2 105.7 112.0 116.2 120.0 122.3 126.9 131.6 142.0 144.7 146.6	111.8 118.4 125.6 134.7 147.9 156.9 161.6 167.0 172.2 175.3 181.6	106.5 109.7 112.3 118.8 129.6 134.5 136.9 138.1	102.1 100.9 105.1 111.9 113.1 109.5 96.2 93.3 90.3 107.9 102.6	107.7 113.0 121.8 133.3 141.2 146.4 146.4 157.8 161.5 166.5	Produce pittes 104.9 108.7 113.9 121.0 127.5 136.7 140.1 146.8 151.5 1.2 1.0	116.3 126.2 137.2 150.1 162.4 173.1 180.9 189.5 196.8 215.8	106.2 106.2 108.8 114.1 121.6 127.9 128.2 127.6 127.1 131.7 138.8 143.3	94. 101. 100. 101. 104. 100. 93. 94. 90. 93. 109.
1988 1989 1990 1991 1992 1993 1995 1996 1996 1997 1st qtr.1987 2nd qtr.1987 4th qtr.1987 March 1997	105.9 108.8 112.6 116.5 120.2 123.1 125.6 127.7 130.0 132.6 134.2	Predictor prices 98.1 102.9 108.2 107.1 105.9 104.3 101.6 105.2 -2.6 -0.5 0.9 n.a.	111.5 115.8 121.5 127.1 132.3 135.6 138.2 141.9 149.0 2.7 2.8 2.8	103.0 104.1 105.2 109.5 113.4 115.6 118.1	104.7 102.1 99.7 102.9 100.7 104.2 106.6 106.1 106.2 102.1 103.5 102.0 102.0	111.0 116.5 124.2 131.7 140.3 147.7 153.9 160.0 168.6 175.0 178.2 2.4 1.6 1.5	102.2 105.7 112.0 116.2 120.0 122.3 126.9 131.6 142.0 144.7 146.6 0.9 1.7 1.5	111.8 118.4 125.6 134.7 147.9 155.9 161.6 172.2 175.3 181.6 3.9 3.4 3.3	106.5 109.5 109.5 112.3 118.8 129.6 134.5 136.9 138.1 138.1	102.1 102.1 105.1 111.9 113.1 109.5 96.2 93.3 90.3 101.9 102.6 104.0 102.6	Commer prices 107.7 113.0 121.8 133.3 141.2 146.4 157.8 161.5 166.5	104.9 108.7 113.9 121.0 127.5 131.5 136.7 140.1 146.0 149.8 151.5 1.2 1.0	116.3 126.2 150.1 162.4 173.1 180.9 1895.0 206.8 215.8 4.4 4.5 4.6	106.2 108.8 114.1 121.6 127.9 128.2 127.6 127.1 131.7 138.8 143.3 3.4 3.0 2.5 4.1	94. 101. 100. 101. 104. 104. 109. 93. 94. 90. 93. 109.
1988 1980 1990 1991 1992 1993 1994 1995 1996 1997 1st qtr.1987 2nd qtr.1987 3rd qtr.1987 4th qtr.1987 March 1997 April	105.9 108.8 112.6 116.5 120.2 123.1 125.6 127.7 130.0 132.6 134.2 1.5 0.9 1.3 1.2	Predacar prisos 98.1 102.9 108.2 107.1 105.9 104.3 102.7 109.7 105.8 105.2 -2.6 -0.8 0.5 0.9	111.5 115.8 121.1 132.3 135.8 138.2 141.5 144.9 149.0 2.7 2.8	103.0 104.1 105.2 109.6 115.6 118.1	104.7 104.7 102.1 99.7 102.9 100.7 104.6 108.1 108.1 108.1 102.1 102.6 102.0 103.8 103.8 103.3	111.0 116.5 124.2 131.7 140.3 147.7 153.9 160.0 168.6 175.0 178.2 2.4 1.6 1.5 1.6	102.2 102.2 105.7 112.0 116.2 120.3 120.9 131.6 144.7 146.6 0.9 1.2 1.7 1.5 0.9	111.8 118.4 125.6 134.7 165.9 161.9 167.9 172.2 175.3 181.6 3.8 3.8 3.8 3.8 3.3	105.5 109.7 112.3 118.8 129.6 134.5 138.1 138.1	102.1 100.2 100.5 105.1 111.9 113.1 109.5 96.2 93.3 90.3 107.9 102.6 104.0 102.0 101.7 102.0 102.0	Community prices 107.7 113.0 121.8 133.3 141.2 146.4 157.8 161.5 166.5 2.7 2.7 3.5 3.7 2.6 2.4	104.9 108.7 113.9 121.0 127.5 131.5,7 140.1 149.8 151.5 1.0 1.3 1.0 0.8	110.3 126.2 137.2 150.1 162.4 173.1 189.5 198.0 206.8 215.8 4.4 4.2 4.1 4.5 4.3 4.0	106.2 108.8 114.1 121.6 127.9 128.2 127.6 127.1 133.7 138.8 143.3 3.4 3.0 2.5 4.1	94. 101. 100. 93. 94. 100. 93. 94. 90. 105. 106. 111.
1988 1989 1990 1991 1992 1993 1995 1996 1996 1997 1st qtr.1987 2nd qtr.1987 4th qtr.1987 March 1997	105.9 108.9 108.8 112.6 116.5 120.2 123.1 125.6 127.7 130.0 132.6 134.2 1.5 0.9 1.3 1.2	Predacar prices 98.1 102.9 108.2 107.1 105.9 104.3 101.8 102.7 105.8 105.2 -2.6 -0.5 0.9	111.5 115.8 121.5 127.1 132.3 135.6 138.2 141.5 144.9 149.0 2.7 2.8 2.8	103.0 104.1 105.2 109.5 713.4 115.6 118.1	104.7 102.1 99.7 102.9 100.7 104.2 106.1 106.1 106.1 106.2 102.6 102.6 102.0 103.3 103.3 102.7	111.0 116.5 124.2 131.7 140.3 147.7 153.9 160.0 178.0 178.2 2.4 1.6 1.5 1.6 1.5	102.2 105.2 105.7 112.0 116.2 120.0 122.3 128.9 131.6 142.7 146.6 0.9 1.2 1.7 1.5	111.8 118.4 125.6 134.7 147.9 155.9 167.0 172.2 175.2 175.3 181.6 3.8 3.8 3.3	106.5 109.5 109.5 112.3 118.8 129.6 134.5 136.9 138.1 138.1	102.1 102.9 105.1 111.9 113.1 113.5 96.2 93.3 101.9 102.6 104.0 102.0 101.7 102.5 102.0	Commer prices 107.7 113.0 121.8 133.3 141.2 146.4 148.7 152.4 157.8 161.5 166.5 2.7 2.7 2.5 3.7	104.9 108.7 113.9 121.0 127.5 131.5 136.7 140.0 149.8 151.5 1.0 1.3 1.0 0.8	116.3 126.2 157.2 150.1 162.4 173.1 180.9 189.0 206.8 215.8 4.4 4.7 4.6 4.3 4.3 4.3 4.3	106.2 108.8 114.1 121.6 127.9 128.2 127.1 131.7 138.8 143.3 3.4 3.0 2.5 4.1	94. 100. 100. 101. 104. 100. 93. 109. 105. 108. 111. 108. 108.
1988 1980 1991 1991 1992 1993 1994 1995 1996 1997 1st qtr.1997 2nd qtr.1997 4th qtr.1997 4th qtr.1997 March 1997 April	105.9 108.8 112.6 116.5 120.2 123.1 125.6 127.7 130.0 132.6 134.2 1.5 0.9 1.3 1.2	Predacar prisos 98.1 102.9 108.2 107.1 105.9 104.3 102.7 109.7 105.8 105.2 -2.6 -0.8 0.5 0.9	111.5 115.8 121.1 132.3 135.8 138.2 141.5 144.9 149.0 2.7 2.8	103.0 104.1 105.2 109.6 115.6 118.1	104.7 104.7 102.1 99.7 102.9 100.7 104.6 108.1 108.1 108.1 102.1 102.6 102.0 103.8 103.8 103.3	111.0 116.5 124.2 131.7 140.3 147.7 153.9 160.0 168.6 175.0 178.2 2.4 1.6 1.5 1.6	102.2 102.2 105.7 112.0 116.2 120.3 120.9 131.6 144.7 146.6 0.9 1.2 1.7 1.5 0.9	111.8 118.4 125.6 134.7 165.9 161.9 167.9 172.2 175.3 181.6 3.8 3.8 3.8 3.8 3.3	105.5 109.7 112.3 118.8 129.6 134.5 138.1 138.1 138.1	102.1 100.2 100.5 105.1 111.9 113.1 109.5 96.2 93.3 90.3 107.9 102.6 104.0 102.0 101.7 102.0 102.0	Community prices 107.7 113.0 121.8 133.3 141.2 146.4 157.8 161.5 166.5 2.7 2.7 3.5 3.7 2.6 2.4	104.9 108.7 113.9 121.0 127.5 131.5 136.7 140.0 149.8 151.5 1.2 1.0 1.0 0.8 1.0	116.3 126.2 150.1 162.4 173.1 180.9 1895.0 206.8 215.8 4.4 4.5 4.6 4.3 4.0 4.3	106.2 108.8 114.1 121.6 127.9 128.2 127.8 127.1 131.7 138.8 143.3 3.4 3.0 2.5 4.1	94, 100, 100, 101, 104, 100, 93, 109, 105, 108, 111, 108, 107, 109,
1988 1989 1990 1991 1992 1993 1994 1995 1996 1996 1997 184 qtr.1987 2nd qtr.1987 2nd qtr.1987 Warch 1997 April May June July	105.9 108.8 112.6 116.5 120.2 123.1 125.6 127.7 130.0 132.6 134.2 1.5 0.9 0.9 0.9 1.0 1.0	Predacar prices 98.1 102.9 108.2 107.1 105.9 104.3 101.8 102.7 105.8 105.2 -2.6 -0.5 0.9 n.a. n.a. n.a.	111.5 115.8 121.5 127.1 132.3 135.8 141.5 144.9 144.0 2.7 2.8 2.8	103.0 104.1 105.2 109.6 113.4 115.6 118.1 118.1 118.1 118.1	104.7 104.7 102.1 99.7 100.7 104.6 108.1 108.1 108.1 102.6 102.2 102.6 103.3 102.7 101.6 99.9	111.0 116.5 124.2 131.7 140.3 147.7 153.9 160.0 175.0 178.2 2.4 1.6 1.5 1.6 1.5 1.6	102.2 105.7 112.0 116.2 120.0 122.3 128.9 131.8 142.0 144.7 146.6 0.9 1.2 1.7 1.5	111.8 118.4 125.6 134.7 147.9 156.9 167.0 172.2 175.3 181.6 3.8 3.8 3.4 3.3 4.0 3.8 3.8 3.4 3.3	105.5 109.7 112.3 118.8 129.6 134.5 136.9 138.1 139.1	102.1 102.9 105.1 111.9 113.5 96.2 93.3 101.9 102.6 104.0 102.0 101.7 102.6 102.0 102.0 102.0 102.0 102.0 102.0 102.0 102.0 102.0 102.0 102.0 102.0 102.0 102.0 102.0 102.0	Commer prices 107.7 113.0 121.8 133.3 141.2 146.4 148.7 152.4 157.6 2.7 2.7 3.5 3.7	104.9 108.7 113.9 121.0 127.5 131.5 136.7 140.0 149.8 151.5 1.0 1.3 1.0 0.8	116.3 126.2 157.2 150.1 162.4 173.1 180.9 189.0 206.8 215.8 4.4 4.7 4.6 4.3 4.3 4.3 4.3	106.2 108.8 114.1 121.6 127.9 128.2 127.1 131.7 138.8 143.3 3.4 3.0 2.5 4.1 3.8 3.8 3.8	94. 101. 104. 100. 93. 94. 90. 105. 108. 111. 108. 109.
1988 1989 1990 1991 1992 1993 1995 1996 1996 1997 1st qtr.1997 2nd qtr.1997 3rd qtr.1997 4th qtr.1997 April March 1997 April March 1997 August September	105.9 108.8 112.6 116.5 120.2 123.1 125.6 127.7 130.0 132.6 134.2 1.5 0.9 1.3 1.2 1.1 0.9 1.0 1.0	Predacar prices 98.1 102.9 108.2 107.1 105.9 104.3 101.6 105.2 -2.6 -0.5 0.9 n.a. n.a. n.a. n.a.	111.5 115.8 121.5 127.1 132.8 135.8 138.2 144.9 144.0 2.7 2.8 2.5 n.a. n.a. n.a. n.a.	103.0 104.1 105.6 113.4 115.6 118.1 118.1 118.1 118.1 118.1 118.1 118.1	104.7 102.1 99.7 102.9 100.7 104.6 106.1 106.1 106.2 102.1 103.5 102.0 103.8 103.3 102.7 101.6 99.5 99.5	222 1.6 1.6 110.0 116.5 124.2 131.7 140.3 147.7 158.9 160.0 178.2 2.4 1.5 1.5 1.5 1.6 2.2 1.7 1.6	102.2 105.7 112.0 116.2 120.3 120.9 131.6 142.0 144.7 146.6 0.9 1.7 1.5 0.9 0.8 1.7 1.5	111.9 118.4 125.6 134.7 147.9 155.9 167.0 175.3 181.6 3.8 3.8 3.8 3.8 3.8 3.8 3.8 3.8 3.8 3.8	105.5 109.7 112.3 118.8 129.6 134.5 136.9 138.1 138.1	102.1 102.1 105.1 111.9 113.1 109.5 96.2 93.3 101.9 102.6 104.0 102.0 102.0 102.0 102.0 102.0 101.5 101.5 101.5 101.5	Commer prices 107.7 113.0 121.8 133.3 141.2 146.4 148.7 152.4 157.8 161.5 166.5 2.7 2.7 2.6 2.4 2.6 3.5 3.7	104.9 108.7 113.9 121.0 127.5 131.5 136.7 140.0 149.8 151.5 1.9 1.0 0.8 1.1 1.3 1.1 1.3 1.4 1.3	116.3 126.2 157.2 150.1 162.4 173.1 180.9 1895.0 206.8 215.8 4.4 4.5 4.6 4.3 4.0 4.4 4.0 4.0	106.2 108.8 114.1 121.6 127.9 128.2 127.8 127.1 131.7 138.8 143.3 3.4 3.0 2.5 4.1	94, 100, 100, 101, 104, 100, 93, 109, 105, 108, 111, 108, 107, 109,
1988 1989 1990 1991 1992 1993 1994 1996 1997 1st qtr.1987 2nd qtr.1987 3rd qtr.1987 4th qtr.1987 April May June July August September October	105.9 108.8 112.6 116.5 120.2 123.1 125.6 127.7 130.0 132.6 134.2 1.5 0.9 1.3 1.2 1.1	Predictor prices 98.1 102.9 108.2 107.1 105.9 104.3 102.7 109.8 105.2 -2.6 -0.8 0.5 0.9 n.a. n.a. n.a. n.a.	111.5 115.8 121.5 127.1 132.3 135.8 138.2 141.9 149.0 2.7 2.8 2.8 n.a. n.a. n.a. n.a.	103.0 104.1 105.2 109.5 113.4 115.6 118.1 118.1 118.1 118.1 118.1	104.7 104.7 102.1 99.7 102.9 100.7 104.6 106.1 106.1 106.1 102.6 102.6 102.6 102.0 102.0 103.3 102.7 101.6 99.5 99.9 101.2	111.0 116.5 124.2 131.7 140.3 147.7 153.9 160.0 168.6 175.0 178.2 2.4 1.6 1.5 1.6 1.5 1.6 1.5	102.7 105.7 112.0 116.0 116.0 122.3 128.9 131.6 142.0 144.7 146.6 0.9 1.2 1.7 1.5 0.8 1.1 1.7 1.7	111.8 118.4 125.6 134.7 147.9 155.9 167.0 172.2 175.3 181.6 3.9 3.8 3.8 3.3 4.0 3.9 3.8 3.4 3.4 3.4 3.4	105.5 109.7 112.3 118.8 128.6 134.5 138.1 138.1 138.1 138.1	102.1 100.9 105.1 113.9 113.1 113.9 113.5 96.2 90.3 107.9 102.0 107.9 102.0	Commer prices 107.7 113.0 121.8 133.3 141.2 146.4 157.8 161.5 166.5 2.7 2.7 3.7 2.6 2.4 2.8 2.9 3.4 3.5 3.6 3.7	104.9 108.7 113.9 121.0 127.5 136.7 140.1 149.8 151.5 1.0 0.8 1.0 1.1 1.3 1.4 1.2 1.1	110.3 126.2 150.1 162.4 173.1 189.5 198.5 206.8 215.8 4.4 4.2 4.6 4.3 4.0 4.4 4.0 4.4 4.0 4.4	106.2 108.8 114.1 121.6 127.9 128.2 127.1 131.7 131.7 138.8 143.3 3.0 2.5 4.1 3.6 3.6 3.4 2.6 2.5 3.7	788 794 795 795 795 795 795 795 795 795 795 795
1988 1989 1990 1991 1992 1993 1995 1996 1996 1997 1st qtr.1997 2nd qtr.1997 3rd qtr.1997 4th qtr.1997 April March 1997 April March 1997 August September	105.9 108.9 108.8 112.6 116.5 120.2 123.1 125.6 127.7 130.0 132.6 134.2 1.5 0.9 1.3 1.2 1.1 1.1 1.5 1.5 1.1 1.5	Predacar prices 98.1 102.9 108.2 107.1 105.9 104.3 101.8 102.7 105.8 105.2 -2.6 -0.5 0.5 0.9 n.a. n.a. n.a. n.a. n.a.	111.5 115.5 121.1 132.3 135.8 138.2 141.5 144.9 3.0 2.7 2.8 2.8 2.8 n.a. n.a. n.a. n.a. n.a.	103.0 104.1 105.2 109.6 113.4 115.6 118.1 118.1 118.1 118.1 118.1 118.1 118.1 118.1 118.1	104.7 102.1 99.7 102.9 100.7 104.6 106.1 106.1 106.2 102.1 103.5 102.0 103.8 103.3 102.7 101.6 99.5 99.5	111.0 116.5 124.2 131.7 140.3 147.7 153.9 168.6 175.0 178.2 2.4 1.6 1.5 1.6 1.5 1.6	102.2 105.7 112.0 116.2 120.0 122.3 128.9 131.6 142.0 144.7 146.6 0.9 1.2 1.7 1.5 0.9 0.8 1.1 1.6 1.7 1.7	111.8 118.4 125.6 134.7 147.9 156.9 167.0 175.3 181.6 3.9 3.4 3.3 3.3 4.0 3.8 3.7 3.4 3.4 3.4 3.4 3.4 3.4	105.5 109.7 112.3 116.8 129.6 134.5 136.9 138.1 138.1 138.1 138.1	102.1 102.1 105.1 111.9 113.1 109.5 96.2 93.3 101.9 102.6 104.0 102.0 102.0 102.0 102.0 102.0 101.5 101.5 101.5 101.5	Commer prices 107.7 113.0 123.8 133.3 141.2 146.4 148.7 152.4 157.8 161.5 2.7 2.5 3.7 2.6 2.9 3.4 2.8 2.9 3.4 3.5 3.7 3.7 3.7	104.9 104.9 103.7 121.0 127.5 131.5 136.7 140.0 149.8 151.5 1.0 1.3 1.0 1.1 1.3 1.0 1.1 1.4 1.2 1.3 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4	116.3 126.2 157.2 150.1 162.4 173.1 180.9 189.5 206.8 215.8 4.4 4.5 4.5 4.3 4.4 4.0 4.4 4.0 4.9	106.2 108.8 114.1 121.6 127.9 128.2 127.1 131.7 138.3 143.3 3.0 2.5 4.1 3.6 3.4 2.6 2.5 3.4	784 94 101, 100, 101, 100, 101, 101, 100, 101,
1988 1989 1990 1991 1992 1993 1994 1996 1997 1st qtr.1987 2nd qtr.1997 4th qtr.1997 4th qtr.1997 April May June July August September October November Jenuary 1988	105.9 108.8 112.6 116.5 120.2 123.1 125.6 127.7 130.0 132.6 134.2 1.5 0.9 1.3 1.2 1.1	Predictor prices 98.1 102.9 108.2 107.1 105.9 104.3 102.7 109.8 105.2 -2.6 -0.8 0.5 0.9 n.a. n.a. n.a. n.a.	111.5 115.8 121.5 127.1 132.3 135.8 138.2 141.9 149.0 2.7 2.8 2.8 n.a. n.a. n.a. n.a.	103.0 104.1 105.2 109.5 113.4 115.6 118.1 118.1 118.1 118.1 118.1	104.7 102.1 99.7 102.9 100.7 104.2 106.6 106.1 106.1 106.2 102.1 103.5 102.0 103.8 103.8 103.7 101.6 99.5 101.8 101.8 101.8 101.8 101.8 101.8 101.8 101.8 101.8 101.8 101.8 101.8 101.8 101.8	111.0 116.5 124.2 131.7 140.3 147.7 153.9 160.0 168.6 175.0 178.2 2.4 1.6 1.5 1.6 1.5 1.6 1.5	102.7 105.7 112.0 116.0 116.0 122.3 128.9 131.6 142.0 144.7 146.6 0.9 1.2 1.7 1.5 0.8 1.1 1.7 1.7	111.8 118.4 125.6 134.7 147.9 155.9 167.0 172.2 175.3 181.6 3.9 3.8 3.8 3.3 4.0 3.9 3.8 3.4 3.4 3.4 3.4	105.5 109.7 112.3 118.8 128.6 134.5 138.1 138.1 138.1 138.1	102.1 102.9 105.1 111.9 113.5 96.2 90.3 101.9 102.6 104.0 102.0 101.7 102.6 102.0 10	Commer prices 107.7 113.0 121.8 133.3 141.2 146.4 148.7 152.4 157.8 161.5 166.5 2.7 2.7 2.6 2.4 2.6 3.7 3.6 3.7 3.7 3.8	104.9 108.7 113.9 121.0 127.5 131.5 136.7 140.0 149.8 151.5 1.0 1.0 0.8 1.0 1.1 1.3 1.1 1.2 1.1 1.2 1.1	116.3 126.2 157.2 150.1 162.4 173.1 180.9 1895.0 206.8 215.8 4.4 4.5 4.0 4.3 4.0 4.4 4.0 4.6 4.6 4.6 4.6 4.6 4.6 4.6 4.6 4.6 4.6	106.2 108.8 114.1 121.6 127.9 128.2 127.1 131.7 133.8 143.3 3.4 3.0 2.5 4.1 3.2 1.8 3.4 2.4 2.5 3.7 4.3	789 94 101 101 100 101 101 100 101 101 100 101
1988 1989 1990 1991 1992 1993 1994 1995 1996 1997 1st qtr.1997 2nd qtr.1997 4th qtr.1997 March 1997 April March 1997 August September October November	105.9 108.8 112.6 116.5 120.2 123.1 125.6 127.7 130.0 132.6 134.2 1.5 0.9 1.3 1.2 1.1 0.9 1.0 1.0 1.5 1.1 1.1	Predacar prices 98.1 102.9 108.2 107.1 105.9 104.3 101.6 105.2 -2.6 -0.5 0.5 0.9 n.a. n.a. n.a. n.a.	111.5 115.8 121.5 127.1 132.8 135.8 138.2 144.9 144.0 2.7 2.8 2.5 R.a. R.a. R.a. R.a. R.a. R.a. R.a. R.	103.0 104.1 105.6 113.4 115.6 118.1 118.1 118.1 118.1 118.1 118.1 118.1 118.1 118.1 118.1 118.1	104.7 102.1 99.7 102.9 100.7 104.6 106.1 106.1 106.2 102.1 103.5 102.0 103.8 103.3 102.0 101.6 99.5 99.5 101.8 101.7 102.9	24 1.5 1.6 1.6 1.6 1.6 1.6 1.6 1.6 1.6 1.6 1.6	102.2 105.7 112.0 116.2 120.3 120.9 131.6 142.0 144.7 146.6 0.9 1.7 1.5 0.9 0.8 1.1 1.6 1.7 1.6 1.6 1.7	111.8 118.4 125.6 134.7 147.9 156.9 167.0 175.3 181.6 3.9 3.4 3.3 3.3 4.0 3.8 3.7 3.4 3.4 3.4 3.4 3.4 3.4	105.5 109.7 112.3 118.8 129.6 134.5 136.9 138.1 138.1	102.1 102.1 102.1 105.1 111.9 113.5 96.2 93.3 101.9 102.6 104.0 102.0 102.0 102.0 102.0 102.0 102.0 102.1 102.1 102.5	Commer prices 107.7 113.0 123.8 133.3 141.2 146.4 148.7 152.4 157.8 161.5 2.7 2.5 3.7 2.6 2.9 3.4 2.8 2.9 3.4 3.5 3.7 3.7 3.7	104.9 104.9 103.7 121.0 127.5 131.5 136.7 140.0 149.8 151.5 1.0 1.3 1.0 1.1 1.3 1.0 1.1 1.4 1.2 1.3 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4	116.3 126.2 157.2 150.1 162.4 173.1 180.9 189.5 206.8 215.8 4.4 4.5 4.5 4.3 4.4 4.0 4.4 4.0 4.9	106.2 108.8 114.1 121.6 127.9 128.2 127.1 131.7 138.3 143.3 3.0 2.5 4.1 3.6 3.4 2.6 2.5 3.4	784 94 101, 100, 101, 100, 101, 101, 100, 101,

thly) and UK (weekly). Unit be

BRAZIL FOREST FIRES WATER-CARRYING HELICOPTERS BROUGHT IN TO TRY TO DOUSE FLAMES IN INACCESSIBLE AREAS

## Air assault on Amazon blaze

By Geoff Dyer in São Paulo

Lut. Firsts.

1% in Januari

12.

Special helicopters were deployed yesterday to attack fires burning out of control in the Brazilian state of Roraima, in the latest attempt by the authorities to deal with one of the biggest blazes ever in the Amazon

region. The water-carrying helicopters were used to try to douse flames in locations inaccessible by land, as fires continued to spread to new areas in the south of the state, which is on the border with Venezuela.

The fires have devastated huge tracts of the savannah grassland in Roraima, but have also destroyed parts of the dense rainforest, which is usually too wet to burn, and have entered the reserve of the Yanomami Indians.

"Up to now all our work has been by hand, but now with the help of the helicopters, our efforts should improve," said General Luiz Edmundo Maia de Carvalho, who is co-ordinating the firefighting effort.

The launch of an air to burn out of control. The assistance since January. But it has only been in the last week that a co-ordinated



been organised, bringing rainforest because the thick in the region and a long together the federal government, the armed services

and forest fire specialists. assault comes nearly three authorities also received the months after the fires began help of 100 firefighters from Argentina and a further 100 Roraima government has Venezuelans. Two of the three helicopters being used are from Argentina.

believe that the helicopters

tree-top roof will prevent drought caused by the El water getting through to fires on the ground. Ibama, mental protection agency, originally advised against using helicopters to combat the fires.

Many of the blazes were begun by small farmers, who use fires to clear new land or fertilise soil. But they spread effort against the fires has will have little impact in the quickly because of the heat

Niño weather phenomenon. It has been difficult to deal with the fires because there is no single front, but a whole series of individual blazes.

"There could be as many as 2,000 different points of human victim, a threefire," said Captain Wanus Amorim, of the Rio de Janeiro firefighters.

the fires had entered the Maracá ecological reserve. which has large concentrations of a number of Amazonian flora and fauna, such as monkeys, jaguars and ant-

Over the weekend, the fires claimed their first month-old girl who died after a respiratory illness was aggravated by smoke

## Caterpillar makes peace at Peoria

Peoria awoke to labour peace yesterday. Caterpillar, the world's biggest manufacturer of earthmoving equipment, based in the Midwest town, and the United Auto Workers' union finally agreed on a six-year pact late on Sunday.

Caterpillar had made clear manufacture and assemble it wanted to put behind it the emotional and divisive battle for flexible workplace conditions which led to two strikes in the early and mid-

The new deal will give it a more flexible US labour force. This puts Caterpillar, which employs about 12,000 UAW members at 14 US plants, on a more equal footing with some of its competi-

One, agricultural equipment manufacturer John Deere, signed a labour pact last year that allows it to take on new workers at lower wage rates.

ironically, the deal makes little difference to Caterpillar from a financial stand-

under \$56.

dipped slightly, by % to just lines. Wayne Zimmerman, a Caterpillar vice-president, said probably have a significant the new agreement had been "tailored to Caterpillar's needs", and should allow it "to remain globally competitive from a US manufactur-

ing base". Although it does

overseas, it has retained a larger US-based manufacturing capability than some competitors. The agreement was supported by 54 per cent of the

unionised employees who voted compared to a month ago when 58 per cent proposal. One big difference in the

latest deal was Caterpillar's pledge to reinstate 160 workers dismissed as a result of actions related to the strikes. Previously, the company had agreed to reinstate only 110

> This was seen as unfair by some union members, given

point, and yesterday the to readmit all Caterpillar company's shares actually workers who crossed picket-

The financial aspects of the deal have been less contentious although they will

impact on the company. Caterpillar will now be able to hire new employees at lower rates, "reflecting their beginning experience level". Over time, as older workers retire, this should lower the company's wage bill. There will also be changes to incentive pay, to link employees' compensa-

tion more closely to their specific unit's performance. However, Caterpillar will also improve pension benerejected an earlier contract fits for many employees currently covered by the UAW, and said most employees would have job security guaranteed for the next six years. On the union side, hundreds of unfair labour practices claims against the company, relating to the

strikes, will be dropped. The company kept going through two strikes - one of that the union was agreeing which lasted 17 months.

## Baseball players best placed for home run

Would-be Cuban defectors thinking of fleeing their Communist-ruled homeland and starting a new life in the US should perhaps consider taking up baseball.

If they succeed in fleeing the island, they will be branded as traitors by the Cuban authorities. But if they can hit spectacular home runs or pitch a mean curve ball, it appears they stand a better chance of entering the US than other would-be Cuban refugees who are sent back to Cuba by the US coastguard after

Four Cuban baseball players and a trainer who reached the Bahamas at the

being intercepted at sea.

in a boat are the latest in a of whom have been series of Cuban sports defec- suspended . in an official tors who have sought entry to the US, apparently on the basis of their sporting merits. The five, who include a former national team first baseman and a promising 17year-old juvenile prospect, were picked up by a Bahamian fishing boat after being reported missing at sea.

weekend after fleeing Cuba

Cuba has an understanding with Bahamas under which Cuban migrants who arrive illegally are sent home. Under existing US-Cuban immigration accords. Cuban refugees picked up at sea by the US coastguard are also sent back to Cuba, unless they can prove they were politically persecuted.

purge of Cuba's baseball sector, seem to be following the example of another star player, pitcher Orlando "El Duque" Hernandez, who fied Cuba last December in a Bahamas and after circumnavigating US immigration hurdles, El Duque arrived in the US last week to be reunited with his younger brother, Livan, another Cuban baseball star who

The latest defectors, three

defected three years ago. El Duque has signed a \$6.6m contract to play for the New York Yankees. Cuban officials say such offers are behind a rash of defections in recent years.

## Warning on radical plans for IRS

Radical plans to abolish the heleaguered US tax service would risk a rise in interest rates and undermine business investment, the Treasurv warned yesterday.

Lawrence Summers, deputy secretary of the Treasury, told a meeting of tax professionals that calls in Congress to scrap the Internal Revenue Service would carry "enormous risks" to

The warnings represent an attempt to head off Republi- power.

can senators who have held up the administration's own IRS reform bill and promised a more radical approach.

William Roth, chairman of the Senate finance committee, has pledged to unveil his own package of reforms on major restructuring" of the

go far enough in overhauling the agency, which was undermined last year by disclosures of incompetent management and abuses of Al Gore unveiled 200 initia-

But Mr Summers said the only way to proceed was to pass the existing legislation, which was approved by the House of Representatives in October.

Calls for the abolition of the IRS and of the tax code Thursday leading to "a would cause widespread uncertainty, pushing up interest rates and destabilis-Senator Roth argues the ing the housing market, he government's bill does not said. It would also discourage business investment because of confusion over depreciation allowances.

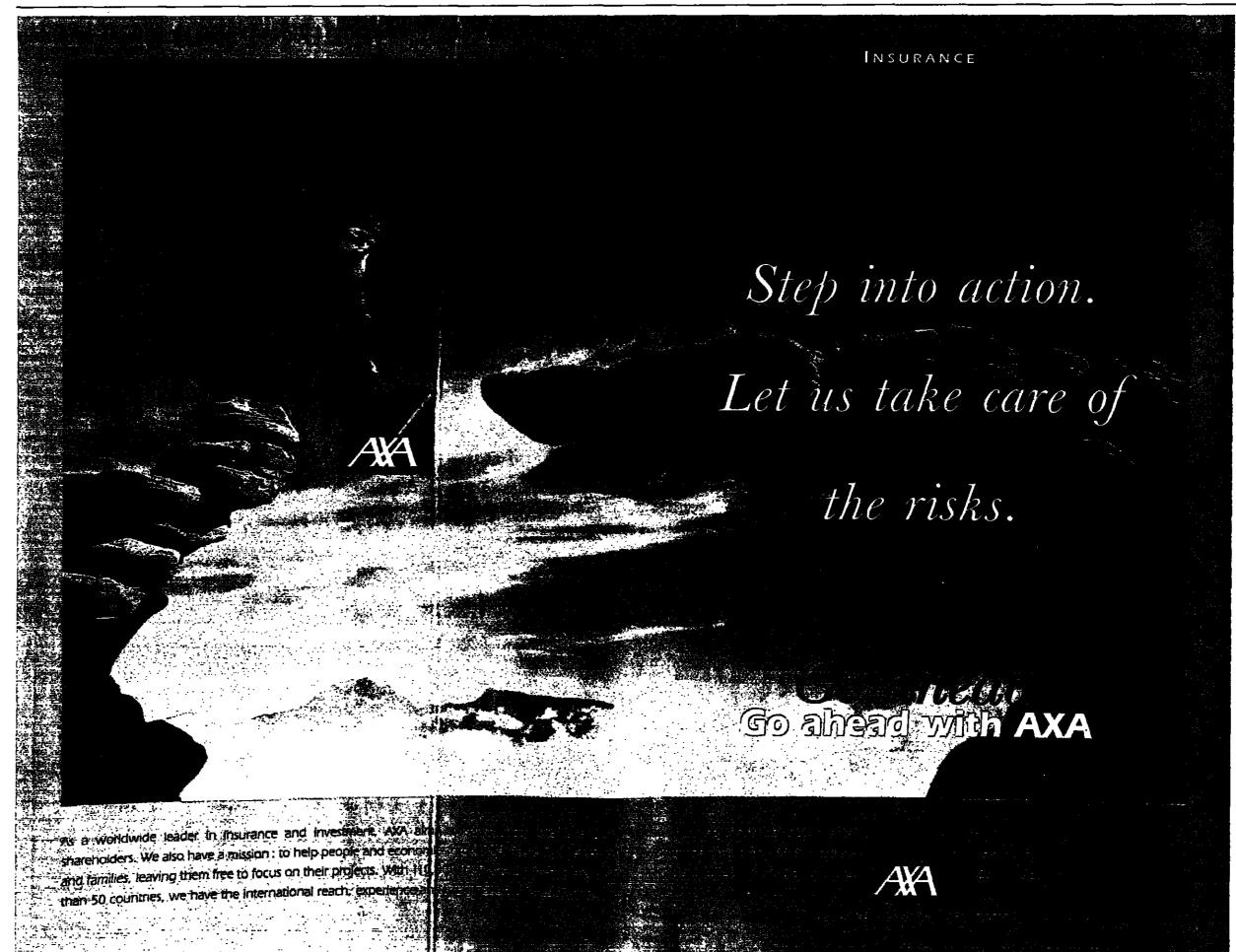
He also said the IRS had improved its performance in Last week Vice-President answering its own teletives to reform the IRS and phones.

cash raised.

restore public confidence in One third of callers found the agency. Mr Gore said the the IRS lines engaged last proposals would help the IRS year, compared with 10 per cent this year. Senator Roth's staff yesterto "rediscover its last name - service". The proposals

include allowing 3m small day said their proposals for businesses to file their new reforms would increase supervision of the agency returns over the telephone. Mr Summers said the and give taxpayers "an administration was taking arsenal" of protection from IRS abuse. further steps to measure tax However, the administracollectors' performance according to customer sertion believes it has already

vice - rather than quotas of bolstered taxpayers' rights through the creation of local citizen advocacy panels, which review the performance of IRS offices and handle complaints.



## Manila's tax break for Ford is challenged

Domestic car producers in ers has lodged a formal prothe Philippines are challenging tax incentives awarded tives on offer go beyond to Ford of the US, which is those available to domestic planning to establish a groups. This is the first time \$111m car assembly and that the Philippine Ecoparts manufacturing plant in nomic Zone Authority the country.

The government has supervises new investments

Europe's yards

want curb on

Korea output

pressing the European cent competitive advantage Union and their individual in bidding for new shipping

SHIPBUILDING

By Paul Betts in Milan

European shipbuilders are

international financial sup-

port to South Korea unless it

adopts a "more responsible"

attitude to shipbuilding and

reduces its production over-

International Monetary

Fund money is not poured

into the Korean economy

and used to salvage Korean

shipyards," said Corrado

Antonini, chairman of Fin-

cantieri, the Italian state-

owned shibuilding group.

financial ammunition to kill

us later," he added.

We are giving them the

Mr Antonini, who is also

chairman of the Committee

of European Union Ship-

builders' Associations, said

the European industry had

asked for greater transpar-

ency by Korean yards to dis-

close the relationship

between costs and prices as

well as "a signal of modera-

tion" from Korea on its pro-

He argued that the expan-

sion of Korean shipbuilding

capacity, now greater than

the entire capacity of Euro-

pean yards, had been one of

the causes of Korea's eco-

duction capacity.

We want to ensure that

capacity.

governments to withhold orders.

of Automotive Manufacturtest, arguing that the incen-(PEZA), the agency that

the steep devaluation of the

Korean currency had given

Korean shipyards a 38 per

in bidding for new shipping

, Fincantieri has already

lost two significant orders to

Korean yards this year

because of Korea's currency

advantage. The first involved a \$270m vessel for

Saipem, the oil services sub-

sidiary of Italy's Eni oil and

gas group, which was

awarded to Samsung. The

second, for a car carrier for a

Norwegian operator, was

won by Daewoo against a

Although shipowners were

joint bid by Fincantieri and

Antonink Don't use IMF money

Under the government decision, Ford would also be exempt from tax on imported capital equipment and would receive a tax deduction for personnel training.

In a letter to Cesar Bautista, trade and industry secretary. Vicente Mills, the

The Grand Princess, to be delivered in the next few we

apprehensive of placing new

orders with Korea at the

beginning of this year, they

were now prepared to take

the risk because of the

attractive prices offered by

shipbuilder, had also become

increasingly worried by the

situation, Mr Antonini said.

The problem was all the

more acute because the

Asian crisis risked accelerat-

ing the decline in the indus-

try's cycle, which peaked

was a boom vear for demand

but prices did not increase

because production capacity

grew, especially in Korea,"

The European shipbuild-

ing industry has undergone

a long process of restructur-

ing involving the loss of

more than 100,000 jobs. "We

are now even more worried

because Korea is moving

into the higher technological

end of the market where we

have been developing suc-

Mr Antonini said.

"The tragedy is that 1997

Japan, the world's largest

Korean yards.

last vear.

contemplated that would pants to the government- age fresh investments fol- tion of the Manila Hotel and slant the playing field sponsored automotive pro- lowing the economic down- awarded the contract to a clearly in favour of one participant," he said. Mr Mills said that the gov-

ernment was changing the rules and that Ford should register its investment under the government's existing car programme, like other approved Ford's application in selected areas of the chamber's president, said local assemblers. PEZA's to return to the Philippines country, has provided the decision should be move "will erode the confiafter an absence of more incentives to a domestic reviewed. "Special incendence and weaken the com-

cessful niches."

Fincantieri has taken a

large share of the thriving

new market for large cruise

ships, as well as developing

fast ferries which has belped

to offset its competitive dis-

advantage to Korean yards

in more traditional mer-

chant ships. However, the

Italian company expects to

report lower profits for 1997

after earning L50bn (\$28m)

European shipbuilders are

also concerned over the EU's

plans for new industry sup-ports based on research and

development programmes to

replace the existing system

of production aid of up to 9

The EU's production sup-

port has been extended to

the end of this year in the

wake of continuing difficul-

ties to ratify the 1994 Organi-

sation for Economic

Co-operation and Develop-

ment (OECD) ban on direct

subsidies to the world ship-

building industry. The US

per cent of a ship's price.

explained

he

other industry initiatives," programme include affiliates of the large Japanese car manufacturers, such as Toyota, Honda and Mitsubi-

The row may prove embarrassing for both Ford and ous example, the Supreme the Philippines government,

has refused to ratify the

OECD accord leaving in

place a series of standstill

agreements, whereby coun-

tries can maintain existing

support to the industry as

long as they do not intro

duce any new aid measures.

one part of the problem,"

said Mr Antonini. The US

has recently provided sub-

stantial subsidies to enable

the sale of the Philadelphia

yard to the Norwegian

Replacing existing produc-

tion aid with support for

research and development

would reduce overall sup-

port to European yards at a

time when the industry was

facing a continuing

Kvaerner group.

"The lack of ratification is

gramme as well as to its turn and the Asian financial crisis. If the case goes to the he said. Participants in that courts, as some fear, the proposed investment could be in

> The courts have made several controversial decisions in cases involving foreign investors. In the most notori-Court last year overturned

local company which had bid less than a foreign consortium

The Ford plant would give a significant boost to the Philippines' automotive sector. Ford left the Philippines after the turmoil following the 1983 assassination of Ninov Aguino, the popular

## Dockers' unions threaten global

International shipping lines have been threatened with worldwide industrial action if they use the discount stevedoring services of a new Australian operator embroiled in a waterfront dispute in the country.

The operator, Producers and Consumers Stevedores (PCS), was established last month by a farmers' lobby to break the hold of Australia's powerful maritime union on waterfront labour in the

Within Australia, the dispute is set to escalate this week with strikes at ports in Sydney and Brisbane. The government has condemned the strikes and backed the National Farmers' Federation, the main group behind the new stevedoring operation, in its effort to woo shipping lines to utilise their non-unionised services.

Talks aimed at preventing the strike in Sydney's Port Botany docks were called off yesterday.

The dispute has taken on an international dimension with the involvement of the Transport Workers' Federation, the main umbrella body for more than 500 unions around the world. The ITF has agreed to back its Australian member, the Maritime Union of Australia, in an international industrial campaign against the new operator and its non-unionised workforce.

The ITF at the weekend sent a circular to member unions around the world listing shipping companies using Melbourne, the headquarters of the farmers' nonunionised stevedoring operation. PCS has offered discounts of up to 30 per cent on charges for handling ship cargo and has said it will load its first ship next month after the completion of training for non-union personnel. The ITF lists dozens of

vessels scheduled to sail from Melbourne in the next few months, including those operated by large international lines such as Mitsui OSK Lines, Blue Star. Columbus Line and

sen Lines. In its circular, the ITF said the lists were "not - yet - a list of ships to be targeted". Some of the companies listed, however, could decide to accept the PCS offer to have one or more of their ships handled by the nonunionised terminal, the ITF warned. "If that is the case, we will contact you...until then...use this list to inform your members in rel-

evant ports and on board the

ships," said the circular. Peter Reith, industrial relations minister, said the Australian union's "hit-and-run approach" to industrial relations showed it was interested only in "inflicting maximum economic harm on the Australian public and on Patrick Stevedores," the company which leased part of its Melbourne facilities to the farmers' new operation. Mr Reith has said the government is considering legal action

## **Accountants** join forces in

problems are so similar".

ing helps to raise equity finance for industry - an increasingly pressing need in China - by allaying the concerns of portfolio inves-tors, they said. They also hoped negotia-

tions for China's entry into the World Trade Organisation (WTO) would reinforce their case for greater market access. Charles Heeter, of Andersen Worldwide's office in Washington, said US trade officials had made a priority of the early conclusion of WTO negotiations on the further opening of Chi-

na's accountancy market. The recommendations set out in a document by the "big six" and forwarded to Chinese authorities urge that accounting firms be allowed to set up operations without geographical or numerical limitations and without curbs on equity or management control. Companies now are restricted to a single 50-50 joint venture and have not been given permission to open branches in

multiple locations. The representative offices of the accounting companies in China are also barred from performing auditing work - another restriction the big slx want lifted. In return, they are offering intensive and broad training

programmes for Chinese

Executives from the world's "big six" accounting firms arrived in Beijing yesterday to make a joint effort to per-suade Chinese authorities of the benefits of deregulation and greater market access.

The senior executives from Andersen Worldwide. KPMG. Ernst and Young and Deloitte Touche Tohmatsu International began two days of meetings yesterday with Chinese organisations. Price Waterhouse was represented by Coopers and Lybrand.

The executives said it took them just two days of meetings to formulate the details of a joint approach to the Chinese market because, as one executive put it, "our

It was a "happy coincidence," said James Clark, deputy chairman of Coopers and Lybrand, that their visit came the week after Zhu Rongji was elevated to premier, an event that appears to, signal a new phase of activism in economic reform.

utives said. Reputable audit-

#### onslaught from Korea. European shipbuilders Much of Mr Zhu's prowere now seeking to gramme of reform, particuincrease co-operation in larly the restructuring of technology, design and 300,000 state-owned enterresearch. Mr Antonini said. prises within three years, would benefit from infusion But he ruled out the possibility of a broader industrial of high quality accounting tie-up among large European

## Brittan call to end logiam over environment issues

Sir Leon Brittan, European Union trade commissioner. yesterday called for a high-level trade and environment meeting to break the logiam on these issues in the World Trade Organisation.

Speaking at a conference on globalisation in Geneva, Sir Leon proposed a conference of top policymakers this autumn in Geneva to The WTO's committee on

push the debate forward. trade and environment, set up to examine the compatihility of environmental measures with fair trade rules. has failed to make any specific recommendations in its three years of existence, largely because developing countries are suspicious that the environment issue will be used by the west to curb

Sir Leon said everyone had an interest in a robust

and reliable global trading system as well as high levels of environmental protection. "My firm belief is that the two are mutually compati-

He also called for the reduction or removal of barriers to trade in environmental goods, services and technologies, before or during the next round of WTO talks

Attrade accord on environmental products is now under discussion in the Asia Pacific Economic Co-operation (Apec) forum for possible implementation next vear, but the EU has not

Turning to one of the most contentious issues being tackled by the WTO's trade and environment committee. Sir Leon said WTO rules should not be used to frustrate the objectives of multilateral environmental agree-

been party to these talks.

amended if they could be used in that way. For instance, it was vitally

important that the trade aspects of last December's warming, including emissions trading, were not frustrated "by the same governments wearing their WTO hats" or by non-signatories of the Kyoto agreement.

On eco-labelling, a touchy subject for many developing countries, Sir Leon said he saw little difficulty in reconciling voluntary schemes with existing trade rules but more work was needed on compulsory schemes to ensure they could not be abused for protectionist pur-

Environmental groups contend that the WTO's trading rules often undermine individual country's efforts to promote global environ-

#### ments (MEAs) and should be mental aims. WTO forecasts 'small dent' in world output from Asia crisis

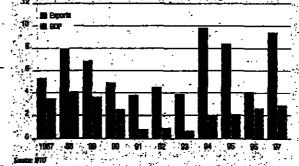
**By Frances Williams** 

Though Asia's economic and financial crisis will lead to some slowing of global output and trade growth this year, the impact on non-Asian economies will be fairly modest, the World Organisation says Its preliminary estimates

for trade in 1997 show that the volume of world merchandise exports surged by 9.5 per cent in 1997, considerably higher than the 7 per cent predicted by the WTOlast December. With the exception of 1994 when exports leapt by 10 per cent by volume, last year saw the best performance in more For 1998 the picture is

clouded by the Asian turmoil but, the WTO says,

The WTO's economists



Thailand, Indonesia, Malay- Europe, the WTO says. sia and the Philippines -"a small dent" in global economic activity and a slowdown of perhaps 2-3 percenteven if merchandise trade age points in world frade

> what this year from last lending. year's 3 per cent as growth

the five countries seriously will be partly compensated affected - South Korea, by stronger activity in

It notes that the five there will be no more than affected countries account for only 3.6 per cent of world - countries will begin a "reagross domestic product, about 7 per cent of world trade, 6 per cent of global

No country outside Asia crisis can be contained to South America, though this of its trade with the five commercial services,

even a big jump in exports of these economies would not cause a big problem overall. Fears of job losses in western economies from a flood of Asian imports "would seem to be largely unjustified". However, the WTO admits that individual industries in importing countries could find themselves under pressure as could oil exporters. Asia became the largest net oil-importing region in the 1990s.

. v).

In Asia itself, growth is expected to more than halve to 3 per cent or less on average, and intra-regional trade which more than tripled since 1990 could fall in absolute terms. However, the WTO predicts that the five sonably strong" export-led recovery this year.

Because of the strength of growth fell by a quarter, it growth. foreign direct investment the dollar, the value of world would still be above the world output is in any and less than 4 per cent of trade in dollar terms rose by average rate recorded for the event expected to slow some gross international bank only 3 per cent last year to say that the same of the same \$6,500bn, of which \$5,300bn was merchandise trade and predict that, provided the decelerates in North and does more than 10 per cent \$1,300bn related to trade in

#### **CONTRACTS & TENDERS**

#### GOVERNMENT OF PAKISTAN Privatisation Commission



nomic collapse. However, to salvage Korean shipyards'

The Government of Pakistan invites

Expression of Interest from prospective investors for pre-qualification to participate in the privatisation process of Paksaudi Fertilizers Limited (PSFL), through

#### Salient Features of PSFL

- Sales Turnover exceeded Rs. 2.5 billion
- durina 1996-97.

■ Total Pre-Tax Profit during 1996-97 alone

FSFL earned a total Pre-Tax Profit of over

Rs. 4.7 billion during the last five years.

exceeded Rs. 1 billion.

- Urea fertilizer produced by the company has ready local market and export potential.
- Centrally located to market Urea for use in fertile lands of the Punjab and Sindh provinces.
- Availability of Natural Gas, main raw material. from nearby located Mari Gas Fields.

PSFL, fully owned by government, has issued and paid-up capital of Rs. 600 million, annual installed production capacity of 557,000 metric tons of Urea and market share of over 15%.

#### Expression of Interest and duly completed Request for Statements of Qualifications (SOQ)

for the purchase of PSFL, along with an investor profile in terms of ownership, networth, business track record (audited accounts, staff strength, etc.), management's capabilities for operating similar industrial units along with a non refundable processing fee in the amount of Rs. 150,000/-(Rupees One Hundred and Fifty Thousand) or US\$ equivalent in the form of a bank draft (encasnable in Islamabad) in favour of the "Privatisation Commission, Ministry of Finance, Government of Pakistan" should reach the office / address given below in a sealed envelope clearly marked "Expression of Interest for PSFL" latest by 1500 hours, April 25, 1998.

A set of Bid documents including Instructions to bidders, Information memorandum and SQQ will be available w.e.f. 25-03-1998 on deposit of Rs. 5000/- or US \$ 125 in the form of a bank draft/pay order in favour of the "Privatisation Commission, Government of Pakistan."

For further details please contact: M.S. Khan Consultant

ning in the contract of the second second



Munir Ahmad, Deputy Secretary,

#### Privatisation Commission

Ministry of Finance, Government of Pakistan 5-A, Constitution Avenue, EAC Building Islamabad, Pakistan. Ph: (92-51) 9205146,47, Fax: (92-51) 9203076, 9211692 E-mail pcpak@meganet.com.pk Web Page: http://www.privatisation.gov.pk

#### **BUSINESSES FOR SALE**

Appear every Tuesday, Friday and Saturday. For further information, or to advertise in this section, please contact Marion Wedderburn on +44 0171 873 4874

threatens

ngjam

mall dent's

Asia erisis

Oil pact sends up prices by nearly \$2

and Raymond Colitt in Caracas

Petroleum exporting countries yesterday welglobal oil restraint pact agreed at the weekend as oil prices rose in response to the

The agreement between Mexico signed in Riyadh on Sunday forms the basis for a co-operative cutback involving both members and nonof Petroleum Exporting Countries, many of which have been hit badly by falling revenues. The three producers agreed to reduce their combined output by 600,000 b/d as an encouragement for others to make additional cutbacks.

In Caracas the Venezuelan government ratified its commitment to reduce production by 200,000 barrels per day as of April 1. The government says commitments from producer countries already total a reduction of 1.2.m b/d.

Negotiations with other Opec and non-Opec conn-

tion limitations are under tries have been at loggermany non-Opec countries will join the cutback. Norcomed the ground-breaking join. Egypt too has decided way has so far decided not to against cutting output.

But analysts say the main achievement of the pact is the agreement between Saudi Arabia, the world's Saudi Arabia, Venezuela and biggest oil producer and exporter, and Venezuela, the biggest single over-producer within Opec.

Venezuelan authorities members of the Organisation came under pressure to reach an accord after a shortfall in its oil revenue forced budget cuts of \$1.3bn and left a budget deficit of 2 per cent. Venezuela depends on oil for half its government revenue. "The authorities came to their senses. It was impossible to sustain such a shortfall in an electoral year," said Mazar Al-Shereidah, a Caracas-based oil industry ana-

> scenes diplomatic activity in order to achieve a face-to-face meeting between the Venezuelan and Saudi

way. But it was unclear how heads for some months over oil production policies.

Analysts say the fact that the two countries were able to talk directly to each other and conclude an agreement augurs well for the sustaina-

lise world oil markets was an unprecedented accomplishment for Mexico and for Luis Téllez, the country's energy minister, writes Leslie Crawford in Mexico City.

Although new to the energy portfolio, Mr Téllez had already established a rapport with Erwin Arrieta, his Venezuelan counterpart.

"Mr Téllez persuaded Mr Arrieta that production cuts were needed to boost oil prices," a Mexican official said. "He then called the Saudi oil minister to inform him the Venezuelans were ready for talks. Mr Téllez But it required two weeks suggested a meeting, and Mr of concentrated behind-the-Arrieta agreed to accompany Mr Téllez to Riyadh."

> Too soon to roll out the barrel, Page 19; Market report, Page



Iraq, yesterday met Tariq Aziz, Iraqi deputy prime minister, a day after arriving in Baghdad. The talks were the first since last oil ministers. The two coun- 30; Opec's last stand, Page 16 month's agreement between the UN and last Picture AP

## Clinton hails 'new African renaissance'

Putting his Washington woes behind him, President Bill Clinton yesterday kicked off the most extensive tour of Africa ever undertaken by a US leader, hailing what he described as the "beginning of a new African renais-

In Ghana, the first stop on his six-nation trip, Mr Clinton paid tribute to free market reforms taking place in Africa and promised thousands of flag-waving Ghanaians gathered in Accra's Independence Square that Washington would promote trade and democracy.

"Today, from Ghana to Mozambique, from Côte d'Ivoire to Uganda, growing economies are fuelling a transformation in Africa."

"It is time for Americans to put a new Africa on our map." Travelling with his wife, daughter Chelsea and three planeloads of aides, Mr Clinton was met on the tarmac by traditional healers poured a libation and President Jerry Rawlings, the former coup leader

turned elected president. Mr Rawlings, whose pur- offer is teeny."

suit of economic and political reforms has convinced the White House he is part of a generation of "progressive" African leaders it draped a roll of royal kente cloth over his shoulders. The presidential entourage

was later due to fly across the continent to Uganda, where President Yoweri Museveni - regarded as the linchpin of the continent's "new breed" - will host a meeting of regional leaders in Mr Clinton's honour. Washington has been tout-ing the 12-day tour, which comes as Mr Clinton faces a series of allegations of sexual misbehaviour back home, as the start of a new relationship with Africa

based on mutually beneficial trade rather than dependency-inducing aid. But local analysts point to

the marked shortage of concrete initiatives on offer. "This trip is all about activity rather than action," said a Kampala-based diplomat. "The countries visited will bask in the glory, but if they expect a bonanza they are going to be disappointed. The amount of money on

With Mr Clinton due to hours of Tuesday morning, Kampala residents were frantically putting the finishing touches to the capital's makeover. Across the city, lawns were being manicured, walls painted, sidewalks gravelled, and concrete laid as rose bushes miraculously materialised in

flowerbeds. Other new elements miraculously materialising in the hilly capital have been the hundreds of stocky US security men - sporting identical garish shorts and crew cuts who have checked into Kampala's hotels ahead of the visit.

Some have been engaged in practice helicopter runs to the sites Mr Clinton will visit. The vigorous efficiency of the US operation has occasionally proved too much for Uganda's fragile infrastructure. At one school, the blast from the helicopter rotors was enough to flatten a couple of shacks perched too close to the makeshift landing strip.

Investment in South Africa, separate section

## **Pressure grows** over West Bank

By Judy Dempsey in Jerusalem

Dennis Ross, US Middle East a few percentage points, envoy, arrives in Israel this then the strongest efforts week amid growing disagreement within the Israeli gov- agreement with the ernment over how much Americans and the Palestin-West Bank land to hand back to the Palestinians.

Although the Israeli cabinet at the weekend rejected a US proposal - not formally presented - to hand back 13 per cent of West Bank land to Palestinian control, it is far from certain that Benjaminister, has secured unanimity outside the cabinet for his tough stance.

The cabinet statement said "a 13 per cent withdrawal is unacceptable," while Mr cent was insulting. Netanyahu's aides spoke of handing back less than 10 per cent and would not bow

But in the first sign of opposition to the cabinet's mid-1998". But the governdecision, several leading officials yesterday questioned the wisdom of provoking a crisis with the US, just days after Mr Netanyahu snubbed the European Union's mediating efforts led by Robin Cook, UK foreign secretary. Arveh Deri, leader of Shas,

the powerful ultra-Orthodox party in the coalition, said it was time to reach an agree-

"If. . . the debate is over only should be made to reach an ians, not in a warlike

way...but diplomatically." Other coalition partners echoed Shas' call. Alex Lubotzky, a member of the centrist Third Way party, said that sooner or later a deal had to be cut.

An agreement guaranteed min Netanyahu, the prime by the US in January 1997 stipulated the first pullback should take place in March of last year. The Palestinians rejected it on the grounds that the Israeli offer of 2 per

> Other pullbacks were supposed to be completed "within 12 months from the implementation of the first phase...but not later than ment wants to link the third pullback to "final status" talks focusing on the future status of Jerusalem, Jewish settlements and other issues. The Bank of Israel yesterday said it was cutting its key lending rate by 0.4 percentage points to 12.2 per cent. This reflects its confidence that inflation is under

**Strategy** 

technology deliver Another Deloitte Consulting Difference

results.

DELOITTE **CONSULTING: Strategy** and technology only deliver promises.

**People and processes** deliver results.

> Some consultants specialise in strategy. Others focus on new technology. What too many fail to recognise is that without significant change to the processes people use with these new strategies or technologies, their promised returns will never be fully realised.

At Deloitte Consulting we have always understood how critical people are to implementing real, lasting change. You can see it in our working style - a uniquely flexible, respectful and collaborative approach that prompted one analyst to tell Computerworld," "We hear time and again that they are the most user-friendly."

Which is important. Because it helps us get your entire organisation. from boardroom to backroom, to buy into changes at hand. And gives us the ability to transfer the knowledge and skills your people will need to deliver the full benefits of any new strategies and technologies. And to keep those improvements from unraveling after we've gone.

For results you can count on today. And build on tomorrow.

A very different approach. For very different results.

**Deloitte & Touche Consulting** 

ODeloitte & Touche Consulting Group Ltd. "Computerworld, July 28, 1997

## **Bankers** seek new formula

International bankers are calling on the Basle committee of bank supervisors to change their formula for calculating how much capital banks need to hold as a cushion against risk.

The Institute of International Finance (IIF), a Washington-based organisation representing commercial and investment banks as well as insurers and fund managers, said the ten-year-old Basle capital accord was "flawed" and could encourage banks to take more

As a first step, an DF report called for changes to the Basle risk weights, which recognise only a few simple categories of credits and treat all private sector loans as carrying the same risk. Banks are required to hold capital equivalent to 8 per cent of their assets, with some less risky assets such as mortgages and sovereign loans carrying a reduced risk weighting.

"The problem for us is that today if a bank grants a credit to General Electric or to an Indonesian company, it will get the same risk weighting," said Georges

Blum, IIF chairman. But the IIF also wants supervisors to begin the process of recognising the credit risk models banks use inter-

nally. "Recommendations for revising the regulatory capital rules for credit risk" published by Institute of International Finance, http:// of forced labour and child www.iif.com

## Chilean elected ILO head

Juan Somavía, Chile's ambassador to the United Nations in New York, was yesterday elected to become the next head of the Genevabased International Labour Organisation, succeeding Michel Hansenne of Bel-

Mr Somavia, 56, will be the first ILO director-general in the organisation's 79-year history to come from a developing country. The current chairman of the UN's economic and social council, he has a background in international economic and social diplomacy and human

The ILO's 56-member governing body voted 44 to 12 for Mr Somavia against Maria Nieves Roldán-Confesor of the Philippines, who was backed by east Asian nations.

Mr Somavia, who began his ILO campaign last summer, had the support of the US and Latin American governments as well as the trade unions which, under the ILO's tripartite structure, are represented alongside employers' organisa-

tions in ILO bodies. The Chilean is not due to take office for another 12 months when Mr Hansenne completes his second fiveyear term.

The governing body will this week discuss the text of a "solemn declaration" by the ILO's 174 members to uphold seven core labour standards, including freedom of association and collective bargaining, and elimination







**Microsoft** 

## WANG GLOBAL AND MICROSOFT.

A match made in Heaven. And London.

And Paris. And Milan. And Boston.

And Amsterdam. And Brussels. And Madrid.

And Hong Kong. And Sydney...

Wang Global proudly announces its enterprise alliance with Microsoft. Microsoft has a vast range of products and customers all over the world. As a leading partner, Wang Global has the size, expertise and global reach to handle them. We are a \$3.6 billion services and solutions provider with 15,000 network professionals in over 40 countries. So now wherever customers want to go with Microsoft, we'll be there. http://microsoft.wang.com. 0800 731 0145

## Blair intervenes on Murdoch's behalf

By James Blitz in Rome and Robert Peston in London

10

Tony Blair last week intervened on behalf of Rupert Murdoch by speaking to Romano Prodi, the Italian premier, about the US media magnate's attempt to acquire an Italian television network.

The UK prime minister asked his Italian counterpart whether his government was likely to obstruct Mr Murdoch's £4bn (\$6.68bn) attempted takeover of Mediaset. Italy's leading commercial televi-

It is the clearest sign to date of Mr Blair's close interest in Mr Murminister. Mr Berlusconi's Fininvest

troversy in the UK. Mr Murdoch's of Mediaset. Sun newspaper, the top-selling UK daily, has given strong support to Mr Blair for the past year, but is mistrusted by the bulk of backbench Labour MPs, who hold him responsible for Mr Blair's cautious approach to European monetary

Mr Blair spoke to Mr Prodi on the telephone as Mr Murdoch's BSkyB satellite television network. 40 per cent owned by News Corporation, was involved in delicate talks over the deal with Silvio Berlusconi, the former Italian prime

A UK official said it was perfectly normal for government heads to talk to each other about the activities of their domestic companies. BSkyB fits into this category, but its biggest shareholder, News Corporation, is Australian and Mr Murdoch is a naturalised US citizen.

Mr Murdoch's attempt to take control of the television group. which runs three national channels, collapsed on Friday after Mr Berlusconi rejected a £4bn offer.

spoke to his Italian counterpart to

any government objection to a takeover on legal grounds.

BRITAIN

"Mr Blair was enquiring whether there would be any official obstruction to the deal, what the Italian government's attitude would be to it," said an Italian official. "The question was whether such a deal could turn into an affair of state as we have seen many times in the past." The Italian official said the impression that Mr Blair was acting on behalf of Mr Murdoch

'would appear to make sense". The prime minister's office con-Earlier in the week Mr Blair firmed last night that Mr Prodi and the prime minister had spoken last

doch's affairs and will spark con- investment fund holds 50.6 per cent find out whether there could be week about "a range of things. mostly relating to the UK's role as European Union president," but refused to comment on whether Mr Murdoch had been discussed.

A spokesman for Mr Blair disputed one aspect of the Italian version of events. He said that the conversation had taken place at Mr Prodi's request, although an Italian official had earlier said Mr Blair had placed the call.

In their conversation, Mr Prodi said he envisaged there would be no obstacles to a Murdoch acquisition from the Italian government. News Corporation last night said it

**Premier** 

extends

crusade

to Paris

By George Parker,

changing world.

Political Correspondent

Tony Blair, the prime

minister, will today call on

left-of-centre parties to stop

attempting to control the

economy, and concentrate

on giving people the skills

they need to adapt to a

Speaking in the French

National Assembly in Paris,

Mr Blair will give his fullest

exposition yet on his so-called "third way"

between unbridled capital-

Blair aides said the speech

ism and old-style socialism.

to be delivered in French

was not an attack on the

commitment of Lionel

Jospin's government to

labour market regulation

including a 35-hour working

week However Mr Jospin may bridle at Mr Blair's

attack on rigid labour mar-

kets, which the prime minis

ter claims can lead to job

"Rigidity in the labour

market can result in another

form of injustice," Mr Blair

will say. He will argue that

governments have a duty to

impose order on rapid

change by improving train-

ing and education. "If you ion't take that attitude

change traps us, paralyses

us and defeats us," he will

The third way was neither

laisser faire nor state con-

trol, but about governments

improving the employability

of their workforce: "There is

no left or right in economic

economic

#### NEWS DIGEST

#### NORTHERN IRELAND

## Moderate nationalist chief urges peace talks rescue

John Hume, leader of the moderate nationalist Social Democratic and Labour party, yesterday called on the British and Irish gonemments to take "direct and effective action to promote agreement". He added: "The time has come for the concentration of minds." His appeal came amid nationalist concerns that pro-British unionists may be seeking to frustrate the May deadline for

the Northern Ireland talks. As parties reconvened, with Sinn Fein, political wing of the Irish Republican Army, re-admitted following a two-week expulsion after police linked the IRA with two recent murders, Mr Hume said delaying tactics would not work.

David Trimble, leader of the Ulster Unionists, the largest pro-British party, is calling for a full session of the talks today to review progress on a range of issues including the vexed question of arms decommissioning, which is being dealt with by aseparate committee. Mr Trimble was last night due to meet George Mitchell, the US senator who chairs the take, to discuss the agenda. The UUP has collected what it claims are breaches of the IRA ceasefire in an effort to win Sinn Féin's permanent exclusion from the talks. John Murray Brown, Belfast

#### SINGLE CURRENCY

#### Siemens sets up euro account

The UK's first euro-denominated bank account, launched yesterday, will remain empty for another nine months until the currency is created. But there was more than symbolism behind National Westminster Bank's opening the account for the UK subsidiary of Siemens, the German engineering group.

Siemens, a long-time champion of the euro, is hoping that its heed start will help to sell the commercial adventages of using the currency to its UK suppliers and customers.

Bernd Euler, UK finance director, also wants technical snags to be sorted out long before the euro goes live. Siemens has been: arxious to avoid the appearance of obliging suppliers or customers to use euros. "We will not force them, that would be foolish," Mr Euler said. Clay Harris, London

#### SCOTCH WHISKY

#### Sales to Japan up by 17%

Exports of Scotch whisky rose last year with sales to Japan up 17 per cent compared with the previous year, the Scotch Whisky Association reported yesterday. But the US remained the biggest Scotch whisky drinking nation outside Britain with sales worth 2311m (\$520m), an increase of 14 per cent. Spain bought 15 per cent more Scotch whisky, making it the second biggest importer.

Although the French remain third in the export market, sales there decreased by 9 per cent resulting in a fall in sales of almost 220m. The total export market rose from £2.27bn to £2.39bn.

#### **EXCISE DUTY CHALLENGE**

#### Brewer wins right to hearing

Privately owned brewer Shepherd Neame yesterday won the right to take its case over rates of beer tax to the Court of Appeal in London. The appeal, for the right to take the case to the European Courts of Justice, will be heard in about three months' time, said Cherle Booth - who presented the case - after a 90-second hearing. She is the wife of Tony Blair, the prime minister.

Shepherd Neame, a 300-year old family-run brewer, argues ing beer tax in Britain runs counter to the Treety of Ro European Union target of harmonising excise duties, which are much lower on beer on the continent than they are in Britain. The question is whether Britain has the right to set unfair rates in its own excise duties, or whether it should fall within EU jurisdiction," said Stuart Neame, company vice-chairman.

#### PROPERTY TAX

#### **Landmark ruling for utilities**

The prospect of the government losing hundreds of millions of pounds a year in business rates [municipal property tax] paid by the former nationalised industries lessened yesterday after a landmark ruling in which British Telecommunications lost a bid to have part of its annual rates bill almost cut in half, in a judgment which could affect all privatised utilities, the Central London Valuation Tribunal ruled that BT should pay business rates according to a new formula that would roughly maintain its payments. BT sald it would appeal.

However, uncertainty still remains over the £1.1bn (\$1.83bn) the government collects in business rates from the former nationalised industries. John Mason, London

#### RADIO BROADCASTING

#### DJ's company in digital bid

Ginger Media Group, the broadcasting company owned by Chris Evans, the disc jockey, will today announce it has teamed up with GWR Group to bid to run the UK's only national commercial digital radio licence.

The licence will be advertised today by the Radio Authority. It will carry three existing national stations - Talk Radio, Virgin Radio and Classic FM - and five new ones.

Ginger, formed as part of Mr Evans' purchase last year of Virgin Radio, has signed an exclusive deal to join GWR's consortium, Digital One. Equity shareholdings have not been finalised, although Ginger is believed to have been offered a 10-15 per cent stake in the group. GWR, which owns Classic FM, is expected to take a controlling interest. Cathy Newman, London

## Casinos' hopes of early reforms are rebuffed

Industry insists it is governed by a set of antiquated laws, Scheherazade

#### **Daneshkhu** reports

The British casino industry is urging the govern-ment to reform the UK's antiquated gambling laws. The pressure follows last week's Budget, in which a hefty rise in casino gaming

duty was imposed. The industry argues that it was unfair of the government to impose higher taxes when the industry cannot increase revenues because of the constraints on it under the 1968 Gaming Act. All gambling industries have demanded a relaxation of the tight rules governing them after the launch of the National Lottery in 1994 made nonsense of the act's premise that the public's appetite for gambling should not be stimulated.

The previous Conservative government implemented reforms through dereguneed for full legislation. Restrictions on bingo and football pools (betting on the results of soccer games) advertising were lifted, betting shops were allowed to open up their shop fronts and fruit machines were allowed higher stakes and prizes ~ measures welcomed by the industries but also criticised as slow in coming

that it has been given few concessions. Although the governing Labour party has appeared sympathetic to its demands, the government took office 11 months ago.

The casino industry wants limited advertising rights - to put these demands out to casinos cannot list their consultation after Easter. address in a directory ~



Long odds: George Howarth, the minister responsible for gambling, holds out little hope for speedy reforms Picture: Brendan Corr

#### lation orders to avoid the \$4.3bn paid for gambling chips in 116 establishments

UK, 21 of which are in London, azade Daneshkhu

Two-thirds of the UK's casinos are owned by public companies. The Rank Group. the leisure company which also owns Buttin's holiday centres

However, the casino indus- clearance to accept postal deregulation order would be ger, said Mr Howarth. They bership and for membership of one casino to be valid at

others operated by the same owner. However. George there has been little in the Howarth, the Home Office way of deregulation since minister responsible for gambling holds out little hope of speedy changes.

Mr Howarth said he hoped

and Odeon cinemas, is the largest single operator with 31 casinos, Stakis, the Glassow-based hotels compan and Stanley Leisure, the Liverpool-based betting group,

are the other large operators of casinos outside London. Money exchanged for chips

the autumn, or that the mea-

sures will be enacted before next spring. already been through two number demanded by casirounds of consultation under nos. Proposals to allow more the last government, but Mr Howarth said these had been

Other demands, including those for more jackpot machines, would take lon-

80 per cent of the national total of gaming duty. negotiations between the industry and the Gaming Board, the regulator, to The proposals have reach a compromise on the

amounted to \$2.6bn (\$4.3bn)

last year, of which £1.7bn was

London's "high roller" casinos

more than others since they pay

in London. The tax rise

announced in the Budget

package last week affects

casinos were not a priority. he said. Labour appears less comfortable than the previous government with the deregulation mechanism regarded by critics as law-

The piecemeal nature of gambling deregulation has led to complaints of inconsistency between the industries

making through the back

and calls for a complete overhaul of the legislation. The Gaming Board has joined the gambling industries in calling for a thorough review not only of the Gaming Act but also of related legislation on betting and lotteries.

seen now as an extension of the leisure industry. There have been enormous changes such as gambling on the internet not foreseer by the legislation," said Mr Howarth. "But we are a new government and have a heavy legislative programme. I cannot see any prospect of a review within

# at least the next two years.

management today - there is good and bad." The prime minister's office said Mr Blair had written the speech in English, and that it had been translated into French. In his youth, he spent a summer working in a Parisian bar, but he has been practising his delivery with a French-speaking gov-

> The speech has a philoso phical tone and is being billed as the fullest exposition of Mr Blair's political creed since the general election. He is thought to be the first British prime minister to address the assembly. He will say he is guided by

ernment official

a belief in "solidarity, justice, freedom, strong communities, and of societies as a necessary means for individual advancement". His definition of the "third way" goes beyond economic man agement and into social affairs. He will accept that the old communal bonds were gone, but that it was possible for governments to impose order among social disintegration.

## fire seen as 'malicious act'

#### By Charles Batchelor. Transport Correspondent

The fire in the Channel rail tunnel between France and England in 1996 was "a malicious act," Patrick Ponsolle, chairman of Eurotunnnel. the company which operates the tunnel said yesterday. He spoke after a French judicial inquiry confirmed that the fire was probably the

result of arson. "The experts' conclusions do not come as a surprise to me," said Mr Ponsolle. "I wish to see those responsible brought to justice and the that the open lattice design origins of the fire fully exposed."

The company welcomed the report as showing that the fire, which trapped 31 truck drivers and three train crew members on a burning train, was not the result of an accident caused by its as much as £50,000 (\$83,500) equipment or installations.

One suggestion made shortly after the fire was that a flare had been fired at the train. On the day of the fire, Eurotunnel staff were demonstrating against redundancies at the Calais terminal in France. French truck drivers involved in a labour dispute were also present at the terminal.

The French prosecutor said the person or persons South Central said average responsible had not been driver earnings were identified, but investigations

were continuing which might lead to a charge of deliberately causing a fire.

drawal of freight shuttle services for six months and to restrictions on other train services. The fire cost £200m in repairs to the damaged tunnel and shuttle train and in lost revenues, though most of this was met by Eurotunnel's insurers. Eurotunnel resumed its freight shuttle services last June. It may install a spray system in the freight shuttles.

The company has denied of its freight shuttles fanned the flames of the blazing • Rail supervisors and inspectors are re-training as train drivers because a shortage of train crew has led to some drivers earning

a year, the Amalgamated Society of Locomotive Engineers and Firemen, the drivers' trade union, said yesterday. The union said one or two drivers were earning £50,000 with a larger number earning between £40,000 and £45,000 because they were working overtime. South West Trains said its drivers earned on average between £25,000 and £26,000. Connex between £23,500 and £24,500.

# Channel tunnel GTech to face lottery

Daneshkhu, Leisure

lottery company, will today meet John Stoker, the regulator of the UK's National Lottery, to answer concerns about whether the company is fit to be involved in running the lottery. The meeting follows

Mr Stoker is likely to

The inquiry was prompted

Peter Davis, the former lottery regulator, also stepped down after disclosures that he had awarded the licence to Camelot in spite of misgivings about

#### members of the Camelot consortium are Cadbury Schweppes, the UK food and

In spite of recent claims of long delays, LG is upbeat about the progress of its \$2bn investment, Juliette Jowit writes

ast month, 50 people. about half of them Korean, gathered at a golf club in south Wales for a karaoke singalong. The incongruous event was the first meeting of a social club set up by LG, the Korean electronics group, at its new £1.3bn (\$2.2bn) semiconductor factory near Newport.

Apart from being the Korean staff's favourite entertainment, the company cites dence in the progress of the claims of delays of up to two

it as proof that there is confiproject in spite of recent Economic chaos in southeast Asia last year prompted

concern for the LG electron-

ics and semiconductor proj-

ect. Europe's biggest over-

seas investment, involving 6,100 jobs. But while large

cuts were forced on rival

conglomerates. LG - which not over the buildings, be protected by its relatively low level of debt. In January, LG Semicon

mid 1999 to upgrade technology, arousing new fears over the future of the plant. These were fuelled last week by suppliers' claims of delays of up to two years.

The company recently opened the gates to the 50ha site as part of its campaign doubts. The scale of the project is almost overwhelming three enormous white blocks cover 26,000 sq m and rise four storeys high. They should be ready for fitting out this summer. LG's main problem, how-

has already started electron- funded by the Welsh Develics production - was seen to opment Agency, but production - for which no hard evidence is yet in place. Instead, public relations postponed the production manager Jill Roberts points start date by six months to to an accumulation of other preparations and "good business sense".

LG is involved in local training and has recruited 114 key personnel, including 11 engineers, graduate trainees and "scholarship" students, the company's apprentices. A £200,000 Oracle to stamp out continuing computer system has been installed, and a company pension scheme set up. All this is happening because strategically the plant is vital to the group now and in the future, says Ms Roberts.

Being LG Semicon's only ever, is the question mark overseas plant makes it vital overseas operations to which



for tapping European marthe work could be transt ture microchips which are kets, particularly as a means ferred, which has threatened four times as powerful as

means there are no other

In the longer term, provid-

of generating cash during other investors' projects in those of competitors, within about two years, could put. the company at the forefront ing the means to manufac of world markets,

Wise

www.financewise.com

## regulator over 'fitness' to the regulator, submitted drink group, De La Rue, the earlier this month, had been security printers, Racal Elec-

Officials from GTech, the US

Oflot's demands for assurances from GTech on its business practices both past and present around the world. Three pages of GTech's 1997 annual report are devoted to listing legal action against the company. GTech said its assurances

"comprehensive in scope and substance". GTech is a member of the Camelot consortium which has run the UK by a London court ruling lottery since it opened in

decide whether GTech should continue to be a shareholder in Camelot. Under the terms of the National Lottery Act, Mr Stoker has the power to revoke Camelot's licence if those managing the lottery or benefiting from it are not "fit and proper". The other

tronics and ICL, a UK offshoot of Fujitsu.

last month that Guy Snowden, the former chairman of GTech, had tried to bribe Richard Branson, founder of the Virgin group, to drop his rival bid for the lottery licence. Mr Snowden later resigned from the boards of Camelot and GTech.

logiam

antall dent's

n Asia crisis

ged

**MANAGEMENT** STRATEGY

## Gigantic misconceptions

Achieving mass has virtually no effect on long-term company survival - despite the myths about size, says John Kay

whole of British industry was merged into a single company. The new Glaxo Wellcome Smith-Kline Beecham Barclays NatWest would be advised by Deutsche SBC Warburg Dillon Reed Morgan Merrill and audited by KPMG Coopers Price Waterhouse Ernst & Young and its share price would drift gently towards the stratosphere.

Never has the cult of gigantism gone so far. Two themes keep recurring. One is that the modern business environment its former self. Its market favours large companies: "We need critical mass."

The other is that most industries are going through, or need to go through, a process of rationalisation: "There will only be a few global players in this industry and we intend to be one

These arguments, although similar, are distinct. It may be true that the financial services industry has too many companies and the process of reducing that number will inevitably mean that existing ones get larger. But that does not necessarily imply that the largest companies, either now or in the future, will

Lloyds Bank has been both a beneficiary and a successful pro- . fail. moter of rationalisation, not because it is the biggest British bank, but because it has been the best performing. And there are industries - of which banking is one - which have always been dominated by large companies but there have been changes in the ranking of these large companies.

Here, I focus on the first of these issues: are large companies more likely to survive? In subsequent articles I will look at whether there is a general tendency for industries to become focused around fewer and fewer companies, and why certain beliefs about size are so widespread despite the absence of much evidence of support for

As the 20th century draws to a close, it is a timely moment to look back at those companies that were largest when the century began. In 1912, US Steel was

In the past few weeks, it the largest industrial company in has seemed that it could the world. The arguments that its not be long before the promoters used then are entirely familiar today.

US Steel achieved leadership through a combination of success in the marketplace and strategic acquisitions. It was well placed to achieve cost reductions by rationalisation and had established the size to dominate what was to become an important international industry.

USX (as US Steel became when it misguidedly sought salvation by buying an oil company twice its own size) is now a shadow of capitalisation is now less than one twentieth of the largest corporation of today, General Elec-

General Electric itself, with three companies to have remained in the top dozen throughout the century. Of the other leaders of 1912, several have disappeared and the others have shrunk.

That is broadly par for the course. One-third of the top companies of 1912 are, or are part of, successor companies, which have grown during the course of the century; the remaining twothirds are relatively smaller now than they were then. In the long run, most large companies

Being in the right industry clearly helps. The oil business was a good one to be in as the 20th century dawned and Exxon and Shell prospered accordingly.

Top 12 Industrial companies

S J&P Costs

Then (1912)

(textiles), Pullman (railcars), Singer (sewing machines), Anaconda (copper), American Brands (cigarettes) and Navistar (agricultural machinery) were big players in industries that declined in relative importance.

But this is only a small part of the explanation. It is not just that USX is no longer the largest company in the world: it is no longer even the largest steel

American Brands and BAT were perhaps unlucky to be in tobacco, and perhaps wise to diversify out of it. But there is still one tobacco company among the top dozen today. Philip Morris, which no one had heard of in 1912, outclassed American Brands and BAT in their core

after a period of attrition, they are acquired by more vibrant successors. That was the story of Distillers - formed in the 1920s by a merger between all the big Scotch whisky producers, and finally absorbed into Guinness in 1986 after a 60-year history of

decline. And for those that have reached the size of the average quoted company and above, the evidence throughout the century is that larger scale has virtually no effect on the chances of

long-term survival. For every long-term success story, such as GE, Exxon or Shell, there is a counter example, such as Austin Morris in Britain, Ling-Temco-Vought in the US. Aikawa in Japan, and Reem

Great corporations rarely go bust. But their normal fate is ultimately to disappear Exxon and Shell, is one of the from the scene when, after a period of attrition, they are acquired by more vibrant successors

> And General Electric is a complex story. While the electrical business was a good industry to be in, the company failed or performed poorly in the principal new electrical industries (computers, consumer electronics. nuclear power) and is best known today for its successes outside its panies. apparent core (aero engines, financial services).

The view that scale is an insurance against decline is not a complete misconception. Great corporations rarely go bust. But their normal fate is ultimately to dis-Other companies, such as Coats appear from the scene when, 700's PT.

741 390

200

187 178

159 160

Coca-Cola

Merck

Each of these companies sought success from scale through acquisition and temporarily entered the global top 100, only to leave it again. The merger of several poorly performing companies served only to create poorly performing large com-

The author is the Peter Moores Director of the Said Business School at Oxford University and a director of London Economics. This is the first of three articles:





Might is not always right: the evidence is that larger scale has no effect on the chances of long-term survival. Kobal

## Voyage into ocean heritage

Export goods, technology, research, arts, and sheer wealth will be on display from 150 countries, writes Peter Wise

What exactly is an "Expo" An international exposition. exhibition or world fair. The Great Exhibition of 1851, at

the Crystal Palace in

London, was one of the first. They were basically trade shows back then, nation selling unto nation. International co-ordination was somewhat lacking too five were held in 1886 alone, in Barcelona, Brussels,

Copenhagen, Glasgow and Melbourne. Today, Expos set themselves the more lofty aim of inviting countries to "set out ideas rather than wares". But you can bet most of the 150 or so countries exhibiting in the Lisbon event, which opens on May 22, will also be putting their best export goods on display. Others will be hoping to impress with their technology, research, arts or

One hundred and fifty countries – that's quite a big turnout, isn't it? The largest number for an Expo to date. The most conspicuous absences are Australia and Ireland. The latter says its world fair budget won't stretch to Lisbon. The former is at odds with Portugal over oil off East Timor, a former Portuguese colony invaded and annexed by Indonesia, which isn't coming either. Of course, a few more countries have come into the world since Expo '92 in Seville. This is also the last one this century. But Lisbon likes to think it is the theme that has created the most interest.

That being? The oceans: a heritage for the future.

I see what you mean about lofty'. The aim is to encourage debate on how to protect the sess from pollution and preserve the ecological balance of the planet. It all ties in with the declaration of 1998 as International Year of the Oceans, a Portuguese proposal approved by the United Nations. It's no coincidence that 1998 also

marks the 500th anniversary of Vasco da Gama's pioneering voyage from Europe to India. Portugal doesn't see any harm in

Who decides when and where an Expo will be held? Setting up stall in several international exhibitions a year was expensive, so Germany and France tried to impose a little order. In 1928, an international convention was drawn up setting out rules. It also created the Bureau International des Expositions, based in Paris. This body, which now has 48 member countries and is chaired by Ole Philipson of Denmark, chooses from among several candidates for each Expo. Lisbon pipped Toronto for the 1998 bash.

gently reminding the world

that it was a global power

All very worthy, but will Expo '98 be any fun? Unless you have an aversion to water. A bigger collection of events, entertainment and expositions of all things maritime, nautical and fishy has probably never been put together on earth or sea before. Expos are akin to a thinking person's Disney World and just about every

Expos are held every six

kind of aquatic experience imaginable is planned for the 8.5m visitors expected. To give you an idea, an

audience of 10,000 will file four times a day into the Utopia Pavilion for a multimedia show on the myths and legends of the oceans. In the Knowledge of the Seas Pavilion, an ocean storm, complete with thunder and lightning, will be conjured up behind glass panels every five minutes.

One of the biggest attractions is expected to be the Oceans Pavilion, the biggest aquarium in Europe, where four sea habitats are being recreated. Visitors will he able to walk around as if at the bottom of the Antarctic, Atlantic, Indian and Pacific Oceans. The 200,000 fish, birds and animals from 200 species will include sharks, rays, sea ofters and a penguin colony.

A pretty good place for fish lovers then? Except if your taste is for grilled sardines. These are a favourite of the Portuguese, but they have been banned from the Expo site because of their all-pervading aroma - apparently in silent protest, small graffiti fish bones have appeared on some Lisbon walls.

But don't worry about going hungry, there'll be more than 80 restaurants on the site, including five star cuisine from Morocco, Brazil, Finland and

elsewhere. The night life will go on to 3am daily. The end of the exhibition, which closes on September 30, will be marked by the world premiere of a specially commissioned opera by Philip Glass, The White

What will all those 150 countries be doing? China will be showing a replica of the Great Wall. Britain is staging a ride through submarine landscape on a moving, spiral statrcase. Russia was apparently considering towing an iceberg to Lisbon but has given up the idea. Just as well, perhaps, as several ocean liners are being brought to the site to serve as floating hotels. Instead, Russia will be displaying the Mir underwater camera used to film the wreckage of the Titanic. Finland will be keeping visitors cool with a large ice rink.

(\$27) a day, or Es12,500 for three days - that is the estimated time needed for a reasonably thorough visit. Children and senior citizens pay half-price. Or you can buy a special computerised watch for Es13,000 that also functions as a one-day ticket. The whole thing is estimated to cost about \$2bn. Ticket revenue and an associated property development are forecast to cover 85 per cent of the investment. Taxpayers will

What is Portugal getting out

Does all this cost a packet?

Tickets for the Expo cost Es5

of all this? Investment, jobs and tourism revenue are some of the benefits. The long-term economic benefits are expected to account for almost a third of economic growth this year. More importantly, Expo '98 is the catalyst for the regeneration of a run-down dockland area through a big property project. The aim is to bring new life to a 5km stretch of the Tagus riverside. Don't fret if you can't get to Lisbon this summer, the Oceanarium, the Utopia Pavilion and much of the rest will be there permanently. They may even be serving sardines by



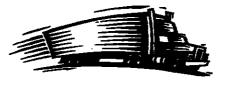


Join forces with this winning symbol.

A great sporting and cultural event: The World Equestrian Games '98. From 30th September to 11th October, Rome will become the equestrian capital of the world. The best horses and riders from more than 50 nations will be competing for success across five disciplines: dressage, three-day event, vaulting, driving and show jumping. Competition and entertainment at the highest level, attracting both huge crowds and the attention of the whole world's press and television. Società Pubblicità Editoriale, chosen once again for its long experience, is the sole publicity agency for the World Equestrian Games '98: a unique opportunity to associate your Company name to a winning event. For more information call (+ 39) 2-57577.410.

MONRIF GROUP POLIGRARCI EDITORIALE S.A.A. il Resto del Carlino LA NAZIONE IL GIORNO SUPERPRENT S.R.L.





TRUCKING COMPANIES

MOVE FREIGHT.



SHIPS TRANSPORT GOODS.

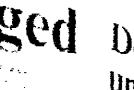


AIR FREIGHTERS
CARRY CARGO.



CALL US TO MOVE IDEAS.





4 . . .

Docken Unions threate Slobal action

ints is in hina

egiam

mall dent in

sties

Years ago, GTE was simply a telephone company: a mover of voices over copper wires. But now, we've become a leader in the movement of ideas and information via a variety of vehicles: local telephone, long distance, wireless, video, the Internet, Airfone and directories. In fact, GTE has quietly built a company that's a lot different than most people realize. So we wanted to take this opportunity to tell you how we walk the walk.

We're now one of the largest providers of Internet solutions to business. And we're developing a 15,000-mile data network stretching from the eastern seaboard to the California coast. It will expand the GTE network to 100 times the size of today's Internet.

for thousands of clients, ranging from the University of Kentucky to Microsoft to the California 911 service. And we've been a leading provider of information technology to the U.S. government for more than 35 years.

GTE provides
directory services
in more than
15 countries.
On the Web.

our SuperPages Interactive

Services are a valuable business directory, receiving more than 28 million visitors last year. We also host some of the largest websites in the world, supporting more than 25 million page views a day over our network. We're a leader in Internet security, too, making business on the Net safer through state-of-the-art encryption and firewall technologies, such as our Site Patrol<sup>5M</sup> managed security service. Even the Department of Defense

and the U.S. Treasury depend on GTE

for highly secure networks.

We're also a long-distance company, with more than one and a half million customers. We're a wireless company, with more than four million cellular customers in the U.S. We're the leader in in-flight calling, with Airfone\* installations in more than 2,000 aircraft worldwide.

We're building a wireless paging system for 25 major cities in China. We serve more than six million customers outside the U.S., from Canada to Argentina. And we have more than 21 million lines in the U.S., from Alaska to Florida.

We're people who move ideas, from one person to the other and one place to the next, in a lot of different ways.

That's what we do. That's who we are.

While your business already has a telephone company, you may not have a local, long distance, wireless, video, Internet, Airfone and directories telephone company. And while most businesses are familiar with people who move raw materials, finished goods and overnight packages, you may not have a company that's dedicated to moving your most precious cargo of all.

Your ideas.

Could we take one someplace for you?

**GIE** 

www.gte.com

MOVING

## Challenge to calf exports rejected



The UK could not prohibit the export of calves to other European Union member states whose farming systems did not meet the standards laid down in a Enropean convention on animal protection, but which did comply with the applicable European Directive, the European Court of Justice ruled last week.

Compassion in World Farming, the animal rights group, sought a judicial review of a decision by the UK minister of agriculture that the UK had no power to calves. The British High Court referred two questions

to Luxembourg. The European Court considered first whether the directive, which laid down minimum standards for the protection of calves, was invalid, insofar as it was inconsistent with the European Convention on the Protection of Animals Rept for Farming Purposes and with the Recommendation which applied the convention.

The Court noted that the convention had become an integral part of EU law, but that it left parties to the convention considerable discretion in implementation.

The provisions of the convention were indicative only, and the recommendation expressly provided that it was not applicable. The Court said the directive's validity was not affected.

The Court then considered whether a member state that had implemented the recommendation could rely on Article 36 of the Treaty of Rome and, in particular, on the grounds of public morality, public policy or the protection of the health or life of animals set out in Article 36, to justify restrictions on the export of live calves.

It was uncontroversial that a ban on the export of live calves from one member state to another constituted a restriction on exports contrary to the treaty. However, .Compassion in World Farming argued that such a restriction would be justified in the light of Article 36. Having noted that there

was a European regulation on the common organisation of the market in beef and veal, the Court pointed out that recourse to Article 36 was no longer possible where directives provided for harmonisation of the measures necessary to achieve the specific objectives of public morality, public health or the protection of the health of animals.

Analysing the directive's wording, context and objectives, it concluded that it laid down minimum common standards for the protection of calves that were confined for the purposes of rearing and fattening.

Those standards were exhaustive and contained well-defined temporary derogations. Member states were not entitled to adopt stricter measures for the protection of calves other than provisions applying within their own territory. The UK had taken advantage of this to apply stricter provisions.

wever, a ban on exports would strike at the harmonisation achieved by the directive. Accordingly, a member state could not rely on Article 36 in order to restric the export of calves to other member states for reasons relating to the protection of the health of animals. That was the specific objective of the harmonisation undertaken by the directive.

Finally, the Court ruled that public policy and public morality were not being invoked as a separate justification, but were an aspect of the justification relating to protection of animal health.

A member state could not rely on the views or the behaviour of a section of public opinion in order unilaterally to challenge a harmonising measure adopted by the EU institutions.

C-1/96: The Queen v Minister of Agriculture, Fisheries and Food. Ex parte Compassion in World Farming Limited, ECJ FC, March 19 1998.

BRUSSELS

#### **DMG** names Herron as global forex chief

Hal Herron is taking over as global head of toreign exchange at Deutsche Morgan Grenfell, the Investment banking arm of Deutsche Bank.

DMG has apent heavily in the past three years to become a global player in foreign exchange, which was never one of Deutsche's strengths.

Herron, who has been with the bank for nine years, had shone as head of global markets in Australia and New Zealand for DMG.

He succeeds Michael De Sa, who this month became DMG's deputy chief executive for Asia Pacific. De Sa, who had a busy four years running foreign exchange, will once again have to manage change. The bank is cutting 9,000 of its 76,000 jobs worldwide, with much of the reduction to come in Asia. The redundancies will barely affect DMG's currencies business.

DMG is making various other changes to its global markets division. Steve Kennedy and Chum Darvali will replace Herron as co-heads of the Australian global markets business. Kennedy will continue to rum fixed income at DMG in Australia. and Darval! remains as treasurer

Saman Majd, the bank's global head ssume the additional role of running high-grade fixed income trading in Europe. The bank sald it was combining the two businesses because of the planned launch of the euro and "the increasingly integrated nature" of the fixed-income cash and derivatives mar-

Mark Yallop, chief operating officer of the global markets division, will become global co-head of money market/repo at the start of April. He replaces Detici Bindert, who has moved to Frankfurt to become Deutsche's group treasurer.

Herron, Majd and Yallop will be based in London and will report to Edson Mitchell, head of DMG's global markets division Simon Kuper, London

#### Koor acceptance for outsider Kolber

When Canadian-born Jonathan Kolber 36. was this month appointed chief executive of Koor Industries, Israel's biggest holding company, he may have finally put an end to his image in Te

Aviv as a foreign investor. Kolber first arrived in Israel 10 years

of the Australian operation, ago as chief executive of Claridge Israel, the investment arm of the from Harverd University, and lived in of over-the-counter derivatives, is to Charles Brontman family of Canada, which acquired control of Koor last year. In time, he became fluent in Hebrew and married an Israeli, But even this did not help him shake free of his outsider image.

But by shrewd investments in several companies, later to become some of Israel's biggest, Kolber proved that even a "Canadian boy" - as one newspaper once called him - could successfully penetrate Israel's tight-knit business community. And in the process, he helped import a new type of business culture to Tel Aviv - one that focused on return on capital.

Kolber recently scoffed at how in 1987, when he was working for Clarldge in Canada, some Israeli financial journalists accused the group of making a politically motivated decision in selling its holdings in Supersol, an Israeli supermarket chain.

\*Nobody understood that we wanted to invest in companies like ECI Telecom and Teva Pharmaceuticals because we thought there was more growth potential," he said in his charecteristically relaxed tone.

Kolber never studied busine although he worked as an analyst at Salomon Brothers, the investment bank, between 1963 and 1985. He has

a degree in Near Eastern Civilisations Cairo for a year, where he sharpened his Arabic skills at the American Uni-

Avi Machilis, Jerusalem

#### Pacific Dunlop recruits Eady

Pacific Dunkop, one of Australia's largest diversified industrial groups, has recruited an executive of Rio Tinto, the Anglo-Australian mining glant, to head its manufacturing operations.

John Eady, president of Flo Tinto, Japan, will join PacDun as executive general manager of manufacturing from May 1. Eady's appointment reflects PacDun's recent decision to step up its rationalisation programme and to turn around flagging profit performance. Rod Chadwick, managing director of

PacDun, said Eady's appointment would help realise "tens of millions of dollars" of profit improvement in the group's manufacturing operations worktwide. Eady was a senior executive with CRA, the Australian mining company that merged with RTZ Corporation to form Rio Tinto. He moved to Tokyo two years ago to oversee the ness merger of CRA and RTZ operations and displayed considerable

skill in welding different corporate cultures together, as well as in improving quality and improvement practices, Chachwick said.

At PacDun, Eady will be responsible for overseeing the group's efforts to overhaul global manufacturing operations. He will work closely with the heads of PacDury's aix business groups to identify and to introduce changes required to improve group

performance. Eady's appointment follows a minor management shake-up in early March. PecDun acknowledged that its dissopointing interim results were largely due to poor performances in cables and distribution. The group also sold its communications cable business for A\$26m to Belden Inc. of the US. Gwan Robinson, Sydney

#### Sir Alastair Morton joins Lonrho board

Sir Alastair Morton, the former cochairman of Eurotunnal, is joining the board of Loreno as the conglomerat implements the last stages of its plan to become a focused mining group. South-African born Sir Alastair spark four years in the mining inclustry at the beginning of his career, working for Anglo American and De Beers.

#### Moving places

 Sir Andrew Large is to become chairman of the Euroclear System and Euroclean Clearance System Société Coopérative on April 20. Rolf-Ernst Breuer, the present chairman, is resigning from both boards because of "pressing demands" in his role as spokesman of the board of managing directors of Deutsch Bank. Sir Andrew, 55, was chalrman of the Securities and Investments Board in the UK from 1992 to 1997. BARR ROSENBERG

EUROPEAN MANAGEMENT, the global equity specialist new marketing directors. David Cooke becomes marketing director. Scandinavia, and Hilton Supra becomes marketino director, Europa, Jennie Paterson, managing director of Barr Rosenberg European Management, retains her marketing responsibilities in the UK and Middle East, Cooke Joined BREM in 1991 and Supra

 Denis Senpere, 44, has been appointed deputy managing director of MATRA DATAVISION with responsibility for operations in Europe and the Americas. He has been sales and marketing director since 1994. Robert Bellue, 54, becomes operations

oins from Deutsche Morgan

director for Asia-Japan and major motor car programmes. Appointed chairman of Cisigraph in 1989, he managed the sale of the company to Matra Datavision in 1994, before being appointed deputy chairman in charge of international operations the

following year. KEEBLER FOODS has amed Robert Crozer, the 51-vear-old vice-chairman of malority stockholder Flowers Industries, as chairman, Sam Reed remains president and chief executive.

 Kurt Werner Kuehn, 55, has been appointed head of BASF INNOVATIONSFONDS. The company will acquire stakes in companies in the Rhine/Neckar region in order to promote

 Andre Ladurelli, 50, has been appointed international director of ELF ATOCHEM, after being managing director of Ato-Haas Europe since 1992. Jean-Louis Besson, 50, has been appointed head of the company's fertiliser division and thereby becomes managing director of Grande Paroisse, subsidiary of Elf Atochem. He has been International director of Elf Atochem and director of Grands Paroisse and Societe Cherifienne des Engrais since 1992. Jean-Marc Jaubert, 41, has been named head of Elf

securities, Satzmarm, widely Atochem's petrochemicals seen as the deen of the Czech division. He was formerly banking sector, was elected to deputy head of the division. GEORG FISCHER has the Senate in November 1996. Komercni said Salzmann's named Robert Jeker as function as chief executive chairman, succeeding Ulrich would also be limited by the Bremi who will retire following the company's agm tomorrow. REUBEN H. DONNELLY has Eric Vallot, 53, has been appointed Philip Danford as appointed head of the distribution division at IBM chief financial officer. Danford was treasurer of its parent Europe, Middle East and Airlos. company, Dun & Bradstreet. Dun & Bradstreet plans to spin He was previously head of marketing support at IBM Europe, and is also a member off Reuben H. Donnelly, a marketeer of yellow pages of the IBM France management advertising, as an independent committee, Valiot replaces Cosme de Moucheron, 40, who public company later this year. PACIFIC CENTURY GROUP becomes executive assistant to has appointed Ken Kiyoshi William Etherington, IBM

executive vice-president of the EMEA's managing director. group and chief executive of TOKAI BANK is to account vice-president Hideo Pacific Century Group Japan. Ocasawara president from April Kivoshi, who was formedy 1, replacing Satoru Nishigaki general manager of the Hong who will become chairman. Kong branch of the Industrial Bank of Japan, will take Ogasawara joined the bank in responsibility for the group's 1962 after graduating from the operations in Japan. economic department of Tokyo Richard Salzmann will resig

as chairman of the board and

of this month, but will remain a

resigned because of a new law

holding a seat on the board of a

which takes effect on April 1.

prohibiting a senator from

board member of the largest

Czech commercial bank,

general director. He has

 Jorma Halonen has been appointed managing director of the Swedish SCANIA group's KOMERCNI BANKA, at the end SCANIA LATIN AMERICA unit. Halonen stepped down as head of Scan-Auto in Finland two years ago to take up the post of deputy managing director of Scania Latin America. He will take up the new post at the beginning of July. Letin America corporation with publicly traded

accounts for about a third of Scania's total sales, Brazil was Scania's largest single market in 1997.

 Antii Keranen has succeeded managing director Erkki Anttilla as head of PRIMALCO, the manufacturer and metheter of alcoholic brands, including Finlandia Vodke, Koskenkorva Vodka and Maximus Vodka. Keranen joined the Alico Group, the parent company of Primalco, in 1989, and since 1995 has held the positions of senior executive rice-president and vice-chairman. Since January Keranen has led the

management team of Primalco.

STANDARD CHARTERED has appointed Alex Au as group executive director. He will be responsible for covernment reletions and external affairs. legal and compliance leaves, audit and group economics. Au was previously the vicechairman and chief executive o Hang Seng Bank.

 AUSTRALIA AND NEW. ZEALAND BANKING GROUP has appointed Gary Toomey to its board of directors. He is chief financial officer and executive general manager of operations with Qantes Akways KONG TAI INTERNATIONAL HOLDINGS has appointed Clive Oxley as a non-executive.

 Paul Borghard, the managing director of the Paris office of GE CAPITAL REAL ESTATE, has been appointed deputy chaliman for Europe. Kim Bradley, previously financing director, succesids Borghard as head of the Parts

 MICROSTRATEGY, the relational on-line snatytichi processing vendor, has announced that Frank Inguil, former chief executive and chairman of Shive Corporation and former vice-president of worldwide marketing at Letus Development Corporation, has: iolned its board of directors. Microstrategy also armounded the spoolniment of Reich. Terkowitz, vice-president of technology for the Washington Post Company, to its board. Beston Serviz has been : appointed commercial director OF SMITHS INDUSTRIES, MEDİCAL SYSTEMS (South

A PART OF THE PART il net etgosetemen and restrements to +44 211 875 3026, marked for International People

## SIEMENS **NIXDORF**



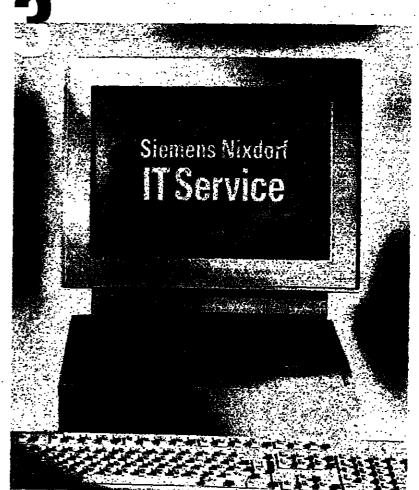
#### Make your IT resources blossom...

Modern IT systems are intended to help you be a more flexible and competitive market player. In addition to a custom-tailored hardware solution, this naturally also means ongoing optimization of your software. Because what good is the most powerful system if your applications lag behind its capabilities. But it takes considerable know-how, time and money to administer, update and distribute the new versions, and these activities often can't be handled efficiently with your existing manpower.



## with software services from Siemens Nixdorf

That doesn't have to be your concern. Simply put your software support activities in the hands of the specialists from Siemens Nixdorf. They'll advise you on the most suitable products to select, test them out in your system environment and assure that they're distributed cost-efficiently and punctually wherever they may be needed. And, of course, we'll also keep track of the latest releases of your software and obtain the licenses for you. So that you can benefit from greater efficiency and focus on your core business.



#### for information technology without the thorns.

So you can concentrate on the challenges of your market and leave the support of your systems and software to Siemens Nixdorf IT Service. Our specialists have the crossvendor know-how that's needed to assure you information technology without the thoms. For more information, simply fax this ad to us at +49-89-636-45579. Don't forget to add your name and address!

## Siemens Nixdorf: User Centered Computing

ART SELECTION FROM SCANDINAVIA

## Artists of the mind

All too often, the Light these artists are on gallery going public is only the whole a gloomy bunch, familiar with art from its with Munch himself pro-own native land. So it is foundly if famously disgood to see a French turbed, and another of them, museum repairing the defi- Carl Fredrik Hill, frankly ciency, at least in the field of mad. Clearly the selection Modernism, in bringing the was made with a strongly work of unfamiliar, neglected and peripheral national schools to central attention.

The Musée d'Art Moderne de la Ville de Paris is continuing its sequence of admirable exhibitions - early-20th century Dutch painting: German Expressionism; and pan-European art in 1930s with a close look at a handful of Scandinavian painters of the late-19th and early-

**Edvard Munch** was famously disturbed, and Carl Fredrik Hill was frankly mad

20th centuries. This, with the sole exception of Edvard retaining something of Sym-Munch, has been one of the bolism in their schematised most grievously and manner, are fairly cheerful unjustly neglected schools of and robust.

and a Norwegian make up a excitement of it all, are the party which is inevitably small, magnificent oil dominated by Munch, whose inclusion and particularly ney into Kenya in 1909 - a generous representation rich and entirely unaffected work together both for good Expressionism. and ill. To show so much of his work unbalances the intriguing, is the haunting show overall, and it reinforces the common supposition that, Munch apart, the 1862-1946) which, though it rest of Scandinavian art may have its interest but is, in lows her from about 50 into essence, minor stuff.

regularly returned.

that, given the exhibition's

psychological reading of the work in mind which, though not unreasonable in itself. again reinforces the common prejudice against the dark. strange and gloomy north. Anyone with fuller experience of Scandinavian art knows there is more to it than that.

That said, each of the five artists is remarkable, and with three of them, at least, one is left' wishing to see considerably more. Each is shown separately and the figure compositions and landscapes of Akseli Gallen-Kallela (Finnish, 1865-1931) occupy the first room.

After some quietly Symbolist works, made around the turn of the century, come some rather beautiful snow and lake-scapes from the mid-1900s, which, while

Even more direct, and Two Finns, two Swedes frankly exuberant in the studies he made on a jour-Next, and rather more

sequence of self-portraits by Helene Schjerfbeck (Finnish, began in her youth, here folher extreme old age. She was On the other hand, to see a more various an artist than great and fascinating artist that, had travelled throughin fine and full display is out Europe as a young always a good thing, which woman, and had shown sevwith Munch would otherwise eral times in Paris and even require a trip to Oslo to in London before she was 30. enjoy. Almost his entire But with age she became of her life, they are reduced career is covered, from 1892. more and more reclusive, to the barest formal indicawhen he was 29, to 1943, the and her work ever more year before his death, and fixed upon still-life and the represented by major loans portrait. Though she continand, most especially, by the ued to show, her reputation, she confronts her mortality. self-portraits to which he such as it was, was limited, and we, too find ourselves



psychological intensity. Simple enough to begin with, they grow ever simpler until, in the paintings and drawings of the last year or two tions of form and line. And yet her finesse and delicacy never desert her. Even as and so it has remained until staring with her into the

With August Strindberg (Swedish, 1849-1912) the temptation is overstate and

paintings the most beautiful

understate the case by turns. showing, no matter whose For with all great writers hand they came from. They who paint (the obverse holds are oddly clotted in the paint true, I'm sure), and who and awkwardly handled move among painters, the things, these sometimes tendency is to allow talent near-abstract evocations of by association. One is heaving seas, teeming skies always interested in what and desolate cliffs. They may void, her face remains they do, but rather for who not have quite the magiste- la These few self-portraits extraordinary and, perhaps has done it than for what it rial authority of Munch, the President Wilson, Paris 16, until title, Earthly Light: Heavenly are astonishing in their by that very virtue, her is. Strindberg knew Gauguin refined intensity or Schjerf- Way 17.

well, and showed with beck, the sophisticated ease Munch, who was his friend. of Gallen-Kallela, nor even Yet here in Paris is a the mad despair of Hill, but group of his paintings that yet they are as interesting as would have been worth the any, and hold their own. They make the case that Strindberg was a painter too.

his approach - his failure to

observe the pppppp marking

in the same movement, his

tendency to glide over

important structural points.

the fact that Birmingham's

Symphony Hall is too large

for "authentic" sound. And

is it really true to the spirit

of the music to encourage

applause between the rheto-

ric and resignation of the

Pathétique's final two move-ments? That's the very worst

In the end, what counts

about these weekends is Sir

Roger's personality - his

shameless wit, his scholarly

enthusiasm, his musical

chutzpah - and the spade-fuls of critical information

the audience receives when

of tradition.

#### William Packer

Lumière du monde: Lumière du ciel": Musée d'Art Moderne de

makes us realise what an intelligent composer Tchaikovsky was.

He was admirably sup-

ported: Nikolai Demidenko's performance of the First Piano Concerto told us that this music is about poetry. not bombast: Joan Rodgers, most fragrant of English sopranos, relived the romantic quandaries of the song repertoire as if she was Russian to the bone; and David Brown, Tchaikovsky's biographer, brought the man alive - his precision, his courtesy, his love of literature, his guilt-ridden visits to gay brothels, his way of building melodies from fragments of other melodies, his creative combination of craft and passion. That combination is the key to "The Tchaikovsky Experience", which is repeated at the Queen Elizabeth Hall in London this weekend.

## To the heart of the dance

**Clement Crisp** remembers the Russian ballerina Galina Ulanova

On October 3, 1956, the curtains of the Royal Opera House, Covent Garden, parted to reveal the tryptich of Romeo, Friar Laurence and Juliet which is the opening moment of Leonid Lavrovsky's Romeo and Juliet. The occasion was the first appearance in the west of the Moscow Bolshoi Ballet.

No ballet performance in Britain had excited such public interest. Queues for tickets started three days before booking opened. Cold War manouevres had threatened the visit not least in the arrest of a Soviet female athlete for shoplifting a few days earlier. The house seemed on an in-held breath at that curtain rise: but there was a slight, girlish figure, serene of brow, pale blonde in colouring. This was Ulanova, already a legend in reputation, and already 46 years old.

And she danced. We saw a unique, and uniquely wonderful dancer, whose interpretation took us to the very heart of the role, to the very heart of dance itself. Her movement was light, ravishing in schooling, seemingly quiet, absolutely self-less, and its greatness seemed to lie in its dedication to expressive truth. As Juliet, as Giselle - her two great roles on this her only London visit as a performer ~ achieve.

itself in an act of metamor-Romeo's arms she gazed down at him, and we saw every young girl who has first love; running to Friar tering behind her, she was like a wave of feeling breaking and pouring across the stage. This was dance genius, felt by everyone who saw her, and offered to the world with a kind of humility and decorous grace that

was uniquely potent. On Friday. Galina Sergueyevna Ulanova died in she became a pupil of the into the Leningrad Ballet in tunate to see of it.

1928, and her career thereafter was a sequence of interpretations in which her phenomenal qualities were to illuminate everything she danced.

As Soviet ballet took

shape, Ulanova's creations (Maria in Fountain of Bakhchisaray, Coralie in Lost Thu-sions, Juliet, Cinderella) won a huge and devoted following. Each performance seemed a testament to the ability of dance to transform both artist and audience. Each performance that I say had the same immense clarity, the same sense that Ulanova did not exist but that the role she showed us was made intensely real and intensely beautiful for us. Few great ballerinas have seemed less mannered. Few have shown us the truth of simplicity with more dedica-tion. And, be it noted, this

#### communicative power was She was like a wave of feeling breaking and pouring across the stage

the result of ceaseless work. both on technique and on expressive means: she believed, with Gorsky, that "talent is work".

She retired from the stage in 1962 and devoted herself to teaching, coaching, and to sitting on juries for ballet competitions. Off-stage she she transformed our ideas was always elegant, lovely, about what a ballerina might almost unassuming in manner - though her "presence She transcended the dance could be felt wherever she was. She had an enchanting phosis which was wholly smile, and a delightful sense expressive: held high in her of humour. She was twice married - to the director Yury Zavadsky, and then to the stage designer Vadim ever known the ecstasies of Rydin. She received what must seem every honour and Laurence, a silk cloak flut- award that Russia could bestow upon her. More importantly, she received the devoted affection and respect of dancers and audiences.

Years ago, Alexandra Balashova, who had been a ballerina in Moscow in the 1900s, inscribed a photograph to me with the phrase "The theatre is a temple in Moscow. She was 88 years which I worship every day." old. Born into a family of Ulanova might well have dancers in St. Petersburg, said the same: her art, sublime and life-enhancing was great pedagogue. Agrippina just such an act of worship. Vaganova. She graduated and we were singularly for-



## More poetry, less bombast

MUSIC

**ANDREW CLARK** 

The Tchalkovsky Experience Orchestra of the Age of

In a programme note for The Tchaikovsky Experience" at Birmingham's Symphony Hall last weekend, Sir Roger Norrington described works like the Pathétique on period instruments as a voyage into the unknown. "We want to be able to hear the differences between ours and modern performances, to compare sonorities and styles." For Sir Roger's sake. it would be nice to report that his performances were a revelation, that they represented as stark a contrast to nearer to our own, and the youth. If he had heard Alex-

The fact that this did not happen is no reflection on Sir Roger's missionary zeal or the skill of the Orchestra of the Age of Enlightenment. It simply suggests that, compared to previous "Experience" composers, there are fewer differences in playing the prospect of performing style and interpretation between the 1890s and the 1990s. And even when the differences are clear - the fact that the brass don't scream so much, the less brilliant sound of an 1870 Erard piano - they are less startling.

It's not just a question of

tradition as his forays into notation has more clarity Mozart, Brahms and Bruck- and detail. It's the fact that Sir Roger has done too thorough a job for his own good. Thanks to his work on classical and early Romantic composers, our ears are accustomed to minimal vibrato and all the other style features of the pre-modem orchestra.

> It's in Sir Roger's interest, of course, to exaggerate the abuses to which Tchaikovsky's music has been subjected. Tchaikovsky, he says, needs to be "de-hijacked": Tchalkovsky tradition is all about huge changes of speed, huge vibrato, huge gestures, hysteria.

Really? Perhaps Sir Roger

EXHIBITION

Eugene Onegin at the London Coliseum earlier this season, he wouldn't need to tell us Tchaikovsky's models were classical; if he had seen The Queen of Spades at Glyndebourne a few summers ago, he might not have gone out of his way to stress Tchaikovsky's modernity: if he had listened to one of Mariss Jansons's Tchaikovsky CDs, he might have drawn a distinction between

ander Polianichko conduct

emotion. There was hysteria in Sir Roger's handling of the first the music is not being movement development of played. Sir Roger has an.

hysteria and intensity of

the Pathétique, because it's endearing habit of writing there in the music. One his own reviews before each diminishing returns, as the is thinking about some con- could go on nit-picking piece he conducts, but we'll era of composition gets certs he attended in his about the inconsistency of allow him that, because he Tel: 44-171-960 4242

> Royal Academy of Arts Tel: 44-171-300 8000 Holy Russla: Icons and the Rise of Moscow 1400-1600. 50 rarely exhibited icons lent by Russier museums are the centreplece of this exhibition, previously seen in

**OPERA** 

Pimiott's production is revived by Barry Atkinson and Frances Moore, and conducted by Emmanuel Joel (Alex Ingram from Mar 27): Mer 24. 26, 27 The Tales of Hoffman: by

Graham Vick, designed by Toblas Hoheisel and conducted by Pauli Daniel/William Lacey. Cast includes John Tomlinson; Mar 25, 28 Shaftesbury Theatre

Tel: 44-171-379 5399 The Royal Opera: Così fan tutte, by Mozart. Revival of Jonathan Miller's production conducted by Colin Davis (David Syrus on 25, 27 Mar); Mar 24,

**MADRID** EXHIBITION Fundació "la Caixa"

Tel: 34-1-435 4833 1898, Fin de Siècle Spain: Historical display designed to recreate a picture of life in Spain at the end of the last century. Includes paintings, books, newspapers and other objects; to Mar 29

NARA EXHIBITION

Nara National Museum Highlights of Asian Painting from pland's Museum of Art selection of 100 works ranging from the 11th-19th centuries and focusing on the figural tradition, from the CMA's holdings of Chinese, Japanese, Indian and Korean art; ends on Sunday

**NEW YORK** 

**OPERA** Metropolitan Opera, Lincoln Center Tel: 1-212-362 6000 www.metopera.org Lohengrin: by Wagner, New production by Robert Wilson, with

costumes by Frida Parmeggiani; Mar 25 ■ L' Elisir d' Amore: the final performance of the season is conducted by Maurizio Benini, with a

cast including Ruth Ann Swenson; Mar 26 Stiffelio: conducted by James Levine, with Maria Guleghina as Line and Plácido Domingo as Stiffelio. The production is by Giancario del Monaco; Mar 27

New York City Opera, New York State Theater Tel: 1-212-870 5570 WWW.nycopara.com La Bohème: by Puccini, Conducted

by George Manahan and staged by Graziella Sciutti; Mar 28, 29

**PARIS** CONCERT Salle Pleyel Tel: 33-1-4561 6589

Orchestre de Paris: conducted by Paul Daniel in works by Messiaen Berlioz and Rachmaninov. With mezzo-soprano Vesselina Kasarov Mar 25, 26

ROME EXHIBITION Villa Medici

Francesco Salviati: 1510-1563. First major retrospective devoted to Salviati, one of the lesser known Florentine Mannerists, Includes around 135 works. For the duration of the exhibition, there will be guided visits to see his frescoes, the most spectacular of which is in the French Ambassador's study; ends on Sunday

**ROTTERDAM** CONCERTS

de Doelen Hall Tel: 31-10-217 1700 Rotterdam Philinarmonic Orchestra: conducted by Valery Gerglev in works by Debussy, Mussorgsky and Prokofiev: Mar 27

SAN FRANCISCO CONCERTS

Davies Symphony Hall Tel: 1-415-864 6000 San Francisco Symphony Orchestra: At 08:20 Tanya Beckett of FTTV Herbert Blomstedt conducts Bruckner's Symphony No. 5; Mar 25, London market opens.

26, 27, 28

**TOKYO** CONCERT Bunkamura Tel: 81-3-3477 9999 Tokyo Philharmonic Orchestra: conducted by Kazushi Ono in a concert performance of Janabak's

Jenuta; Orchard Hall; Mar 28

UTRECHT

CONCERTS Vredenburg Music Centre Tel: 31-30-231 4544 Rotterdam Philharmonic Orchestra: conducted by Valery Gergiev in works by Brahms, Mozart and R. Strauss; Mar 24

TV AND RADIO

● WORLD SERVICE BBC World Service radio for Europe can be received in western Europe on medium wave 648 kHZ (463m)

**EUROPEAN CABLE AND** SATELLITE BUSINESS TV

 CNN international Monday to Friday, GMT: 06.30: Moneyline with Lou Dobbs 13.30: Business Asia 19.30: World Business Today 22.00: World Business Today Update

 Business/Market Reports: 05:07; 06:07; 07:07; 08:20; 09:20; 10:20; 11:20; 11:32; 12:20; 13:20; 14:20

reports live from LIFFE as the

LE COLUMN 1.500

 $\underline{\underline{\mathcal{G}}} = \{ \mathbf{v}^{\mathbf{x}} : \forall \mathbf{u} \in \mathbb{R}^{n} \mid \mathbf{v} \in \mathbb{R}^{n} \}$ 

Baut with the more and

BELLEVE LONGE

April 2 Annual S

igan garan da san d <del>Garan da</del> san da san

\$15°

of Hastal Med

And Shares

INTERNATIONAL

## Arts Guide

**AMSTERDAM** 

EXHIBITION Stedellik Mus Tel: 31-20-5732911 www.stedelijk.nl Stuart Davis (1892-1964): survey of work by the American painter often seen as a link between American modernism, abstract expressionism and Pop Art. Deeply impressed by the painters of the European avant-garde, Davis was also influenced by Afro-American jazz, and made his mark with a series of still lifes on the theme of tobacco; ends on Sunday

Netherlands Opera, Het Muziektheater Tel: 31-20-551 8911 Oedipus Rex and Psalmensymfonie: Stravinsky double-bill, Conducted by Hans Vonk in a new staging by Peter

Sellars, with a cast including Willard

BALTIMORE

White: Mar 25, 28

Baltimore Opera Company, Lyric

Tel: 1-410-625 1600 www.baltimoreopera.com Carmen: by Bizet. Conducted by Alfredo Silipigni in a production directed by David Roth. The title role is sung by Irina Mishura; Mar 25,

**BOLOGNA OPERA** 

Teatro Comunale Tel: 39-51-529 999 www.nettuno.it/bo/teatrocomuna Don Carlo; by Verdl. Co-production with the Grand Théâtre de Genève, conducted by Eliahu Inbal in a staging by Andrei Servan; Mar 24, 25, 29 Il Campiello: by Wolf-Ferrari. New production conducted by Bruno Bartoletti in a staging by Nanni Garella, with designs by Antonio Fiorentino.; Mar 25, 27, 28

CHICAGO

CONCERTS Orchestra Hall Tel: 1-312-294-3000 www.chicagosymphony.org Chicago Symphony Orchestra: conducted by Oliver Knussen In works by Mussorgsky/Stokowski and Knussen. With soprano Rosemary Hardy, Mar 24 Chicago Symphony Orchestra: conducted by Danlele Gatti in works

HELSINKI

**OPERA** Pinnish National Opera Tel: 358-9-4030 2211 The Magic Flute: by Mozart. New

by Brahms. With violin soloist

Samuel Magad; Mar 26, 27, 28

Etienne Glaser, designed by Peter Tiliberg. Conducted by Mikko Franck; **KORIYAMA** 

production by Swedish director

Koriyama City Museum of Art Tel: 81-249-56 2200 Aubrey Beardsley: more than 200 drawings, prints, posters and books created during the brief period of the artist's fame. A member of the fin-de-siècle avant-garde, Beardsley left England for Dieppe following Wilde's disastrous libel action and

subsequent imprisonment in 1895. The exhibition marks the centenary of Beardsley's tragically early death, aged 25, and arrives at the V&A In October, after touring in Japan; to May 5

LISBON CONCERTS

100 Days Festival, Expo '98 Portuguesa Symphony Orchestra: programme of 20th century works: Main Auditorium, Centro Cultural de Belem; Mar 25

LONDON CONCERTS Barbican Hali Tel: 44-171-638 8891 London Symphony Orchestra: Riccardo Chailly conducts concert performances of Mahler's Totenfeler and the closing part of Act 3 of Wagner's Götterdämmerung. With sopranos Jane Eaglen and Janice Watson: Mar 25

Royal Festival Hall

by Barry Wordsworth in works by rokofiev, Sibelius, Grieg and Mussongsky. With plano soloist Cristina Ortiz: Mar 25 EXHIBITIONS

BBC Concert Orchestra; conducted

Frankfurt, which also includes 16 manuscripts; to Jun 14

English National Opera, London Tel: 44-171-632 8300 La Bohème: by Puccini. Steven

Offenbach. New production by

25, 26, 27, 28



## Opec's last stand

Once the oil cartel had the world at its feet. Today it is desperate to stop a collapse in the price of crude

Last week the price of crude real terms, for a quarter of a century. Indeed, it came very close to where it had been before the Organisation of Petroleum Exporting Countries appeared on the scene. Terrified of the abyss before them, Opec's leading members struck a surprise deal to shore up their crambling cartel.

Oil is the most important raw material. Its price rise also began the panic of the 1970s over the alleged scarcity of raw materials. After the first oil shock in 1973, respectable people agreed that oil would remain in short supply. Price rises went as far into the future as their minds could forecast. This belief became dogma when the second oil shock followed the Shah of Iran's fall

Respectable people were, as usual, wrong. The collapse in the price of crude oil they did not expect is a Simon, who died last month. Simon – a professor of business administration at Maryland University - was known to his admirers as the 'doomslayer" for his coruscating attacks on neo-Malthusian environmentalists. He is best-known for his bet against a celebrated prophet of environmental doom, Paul Ehrlich, that the prices of copper, chrome, nickel, tin and tungsten would fall between 1980 and 1990. Simon won: prices of all five

duly declined. To my regret, I bought the story about the scarcity of oil in the 1970s. What I then learned is what wiser heads already knew: the market may grind slowly, but it grinds exceedingly small. Then Opec seemed to have the world economy at its feet. Today it is desperate to stop oil prices from collapse. Three questions arise: Why is the price so weak? What might this weakness mean for the world economy? And will it last?

There is a longer-term and shorter-term answer to the first question. The long-term one is that the ratio of global reserves to production has risen from below 30 in 1978 to over 40 in 1996. Even since 1989 - an era of low prices, notwithstanding a brief spike before the 1990 gulf war - production has been matched by new discoveries. additions and revisions. eaving reserves unchanged. There is no scarcity: price depends, in practice, on quite tight control over output, principally by the Persian Gulf producers, who control two-thirds of the

world's reserves. Global consumption of oil has grown since the mid-1980s, but only modestly: between 1986 and **1996, it rose by onl**y 14.5 per cent. Production has kept up with consumption, despite the collapse of output in the former Soviet Union, from a peak of 625m tonnes in 1987 to 571m tonnes in 1990 and a mere 353m in 1996. But production rose strongly elsewhere, above all in the

Middle East, from 644m Shortage? What shortage?

Crude oil prices (5) 1997 prices

70

tonnes in 1986 to 983m in This performance by

Middle Eastern producers is in marked contrast to what happened to them in the first decade after the oil price shock: their output contracted sharply, as high prices squeezed global demand, production rose elsewhere and the Iranian revolution and Iraq-Iran war shattered production in those two countries. Once prices fell in 1986 and consumption started to recover, so could Middle Eastern production, to the pleasure of suppliers. The motor behind the increase was Saudi Arabia, whose output soared from 220m tonnes in 1987 to 429m in

Yet events of the last year and a half show how easily the market can still be swamped. Towards the end of 1996 the price of Brent crude was \$35 a barrel. stocks were low and the balance between supply and demand was tight. Then along came the commencement of Iraqi exports and a mild winter. the price was down to below \$18 by last April.

This was followed, last November, by the decision to raise Opec quotas, just as

the east Asian financial crisis hit. On the supply side, this produced the combination of higher prospective fragi exports. surging Saudi production (8.5m barrels a day in January) and increased production by non-Gulf Opec members, particularly Venezuela, and non-Opec suppliers. Meanwhile, Asian absorption is expected by knowledgeable analysts to be about 0.5m barrels a day below previous forecasts. while this winter's warm weather has curbed demand elsewhere.

Suddenly, the market has

found itself facing an average daily surplus of as much as 1.5m barrels a day this year. The low short-term responsiveness of demand to supply - which so confused analysts of the 1970s – meant prices swiftly collapsed, from \$20 last October to \$12 last week. Turn to the second question. The oil price retreat is bad for producers. a group that includes some important and vulnerable

countries, among them Mexico and Russia. But the ill wind blows much good to members of the Organisation of Economic Co-operation and Development. It is helpful, in two ways: first, it lowers inflationary pressures: second. it. improves the terms of trade.

In its March analysis of the European economy. Goldman Sachs stated that its price index for energy products had fallen 21 per cent in D-Mark terms since last August and that for non-energy products 13 per cent. This boosts the real incomes of the 11 prospective members of economic and monetary

Simon was: oil is not going to do so. Martin.Wolf@FT.com referred to last week is

The increase in 'Euroland" real incomes wa thought to offset the estimated direct impact of the Asian crisis. The subsequent price falls for oil should strengthen this beneficial effect. If the lower inflationary pressure also leads to looser monetary policy than would otherwise have been the case - as it is bound to do — this should outweigh the negative impact of the Asian crisis, not only in Europe, but also in North America. This helpful development helps explain the soaring stock markets of recent days.

Finally, will the weakness last? In the short term, the question is whether the cartel can bring output under control. A mark of their desperation is the fact that the weekend's deal was the first between Opec and non-Opec producers since 1986. Under the terms of the deal Saudi Arabia will match a combined 300,000 barrels a day cut offered by Mexico and Venezuela. This, in turn, is the foundation for a wider agreement between Opec and other important non-Opec producers.

Prices jumped \$2 a barrel a day yesterday. They will stay up only if production remains under control. The obstacle to sustained success has been obvious for years: however much producers may benefit, in aggregate, from tight control over production and the resulting higher prices, it is in the interest of each to cheat on

whatever they have agreed. This merely shows the fragility of the cartel. In the longer term, sustained low prices should lead to faster growth in demand and lower expansion in potential supply. This would make it easier for producers to gain the income they desire. without feeling constrained This should, in turn, make it easier to run the cartel. But the fact that prospects must be analysed this way demonstrates how right running out - and is not

The article by Paul Kryama temporarily unavailable. His

## LETTERS TO THE EDITOR

## UK should help restore | Sensitivity Turkey's EU hopes

Sir, We should all be extremely grateful to Gerfinally dispelling the mists of misinformation surrounding EU-Turkish relations much for Europe' ", March

The implications to be drawn from his remarks (as reported by your corresponient) are clear: the European Union in its final form is to be a (very large) Christian and western nation state. and the ideal long-term vision of a confederation including all the states around the Mediterranean is not acceptable. Of course, if a principal

aim of the European Union is the assembling of a large coherent entity capable of challenging US hegemony successfully (as is suggested by a number of comments from senior EU politicians and bureaucrats), then the exclusion of Turkey makes a certain sense - however wrong-headed and outdated

that may be. However, in global terms, man Chancellor Helmut this viewpoint really repre-Kohl's favoured successor, sents a massive failure of Wolfgang Schäuble, for nerve and a catastrophically blinkered vision of the future, and I believe that this is, or certainly should ("Turkish membership too be, unacceptable to the "liberal" members of the EU (in particular, countries such as Denmark, the Netherlands and the UK).

It follows, therefore, that the UK prime minister (either as current EU president or as a matter of UK foreign policy) should take steps to reverse this appallingly damaging and insulting blow to Turkey's wholly legitimate aspirations to be accepted as a modern, western-oriented country, albeit one suffering from very difficult problems relating to its history which still require resolution.

Brian H. Gill. 261 Grove Street Deptford Wharf,

## and charm needed

Sir, As a faithful FT reader since my student days in 1958, I have yet to come across such a convoluted nonsense in a foreign affairs article as in the recent "Back to Har Homa" column (March 20) by your young scribbler, Philip Stephens. He is obviously not familiar with the Middle East or Mid-

dle East politics. Sensitivity is the operative word. That usually means a row ("full and frank" discussion) in private, by the visiting foreign secretary and his opposite number. Publicly he will be oozing charm.

Robin Cook, the UK foreign secretary, is not a 'pricklier character" - he simply lacks common sense. The sooner the prime minister finds him a place in the House of Lords the better it will be for UK foreign

79 Harley Street, London W1N 1DE, UK

#### Government needs to feel power of consumers A crude analogy can easily

From Mr Andrew Cecil. Sir, I read Joseph Nye's analysis of the demise of public confidence in govern-

ment with great interest (Personal View: "We blame he government", March 18). What he describes and advocates is what I would term the reform of government, in particular making government more efficient. However, there is a strong argument that what is required is not merely reform but a restructuring and consolidation of government if the public's confidence is to be retained. The pivotal factor in this will be consumer choice and increased mobility, which will exert

increased pressure on gov-

ernment to deliver.

be drawn with the corporate sector. Unless companies provide consumers with the products and services that are desirable they flounder. Their measure of success is their ability to provide these products and services while remaining profitable. In the long term governments will be bound by similar parameters. At present, the percentage of the electorate that. chooses to vote is proof that there is considerable dissatisfaction with government.

The main difference between government and corporations in this respect is the time-frame in which reaction to dissatisfaction is required. Government is able to remain unaltered even

cent electoral turnouts. No corporation would survive such adverse public reaction. However, as the consumer begins to exercise his power of choice - not only which services are provided by government but also which government provides these services - the pressure for change will surely grow.

As Mr Nye correctly points out, "the systems may or may not be life threatening, but it would be unwise to ignore them". Government needs to take note and begin to respond to the consumer's

Andrew Cecil. rue Juliette Wytsman 72, 1000 Brussels, Belgium

Number One Southwark Bridge, London SE1 9HL We are keen to encourage letters from readers worldwide. Letters may be faved to +44 171-873 5938 (set tex to 'fine'), e.mail: letters.editor@it.com Published letters are also available on the FT web site, http://www.FT.com Translation may be available for letters written in the mein international languages. Fax 0171 873 5938. Letters ehould be typed and not hand written.

The technology of magic

know it's late, but I'd like some sushi. How far do I have to go?"



You needn't ever leave the comfort of your Four Seasons Hotel room to be transported by a talented chef. Room service menus abound with regional selections: from deep-dish pizza to striped bass prepared without unwanted calories, to homemade chicken soup at midnight. For the same breadth of choice in another unequalled setting, visit our restaurants downstairs. The demands of business demand nothing less. Phone your travel FOUR SEASONS 

Defining the cort of service at 40 holes in 10 countries.

ess lies partly in its vision of tecnnology, asserts Oliver Morton

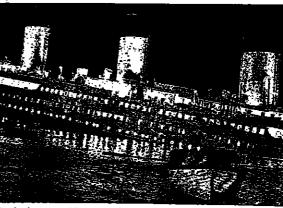
y the time you read this *Titanic* will have its Oscars perhaps just a few, just possibly an unprece dented 14. More to the point for Paramount and Fox, the studios that paid for it, it has its billion dollars at the box office, too, Even taking account of inflation - which Hollywood studios, who suffer from it more than most, are loath to do - a billion dollars still means a lot, leaving Titanic set to outstrip ET, Star Wars and Jurassic Park. And the bums keep hitting the seats.

This unparalleled and unexpected success has depressed cinéastes around the world. They point to the corniness of Titanic's plot, the tin ear evidenced in much of its dialogue, the overblown effects, the stereotyping, the bathos and many other faults real and imagined. They read into it terrible warnings about the future of Hollywood. In doing so, they ignore both the true worry for Hollywood - which is not that something sui generis like Titanic costs more than \$200m but that an average film costs more than \$70m and they ignore the real evocative power that has made Titonic a success.

Just as the liner Titanic summed up the technological aspirations of the century's beginning, the film Titanic is a hymn to the technological dreams of its

The story told in the film is technological at every level; it is a piece of science fiction set in the past. When she left Southampton, Titanic was the embodiment of her day's high technology a technology that the director, James Cameron, delights in showing in all its piston-pounding oversized glory. Steam ships were the cutting edge of technology, the providers of grain to the heartland, the enforcers of empire, at its borders, and Titanic was the greatest of them all, a city afloat.

When she sank, all this power seemed for naught. The world's most extraordinary artefact was reduced to a memory and a warning - a fable that has haunted our attitudes to technology ever



However, the technology of 1912 is not the only technology the film offers us to think about - which is why its message is not a simple one of hubris and nemesis. There are two other crucial technologies framing the ship at the film's centre. The first is that of deep-sea diving, used both as a plot device within the film (and for those who have not contributed as yet to the billiondollar box office, the divers are looking for a diamond lost with the ship) and as a way to make the film. Submersibles launched from a Russian exploration ship provided both footage of the ship as she now is and, more crucially perhaps, a sense of her reality to Cameron, who during his dives to the wreck spent more time on the Titanic than any of her passengers.

The other technology is that of film itself. Film making has always been a technological artifice, but never before has that artifice been taken as far as it is on Titanic, where computers spin oceans, dolphins and Edwardians by the thousand out of nothing but information. So masterful is the blending of the digital and the real that a single shot can slowly pull back from our hero's face to fly around a whole ship that does not exist, the smoke from its funnels created in one computer, the horizon it sails towards in another.

Perhaps the most stunning example is the scene in which the ship leaves Portsmouth. The 90 per cent scale model of the ship that had been built in Mexico was only complete on its starboard side, but the passen-

gers actually boarded from the port. So the sequence was shot with mirror-writing on all signs, with men's suits buttoned right to left, with partings meticulously changed by hairdressers and so on. Then the footage of this looking-glass world was flopped over from left to right to show off the ship's

proper profile. Such costly technical mastery could easily have been meaningless - as it was, say, in Batman and Robin, rumoured to have run up costs similar to those of Titanic. But in Titanic there is a remarkable resonance between the technology used to make the film and the technology that inhabits it and drives it forward.

Deep-sea diving did for Cameron and his characters what the special effects wizardry of the film does for the audience. They provided a memory of the Titanic. Somehow, in the viewer's imagination, the two technologies merge; the technology that shows us the Titanic on the ocean floor today comes to stand for the technology of recreating it on the cinema screen. Once one technology has

shown us - the audience, the characters and, for that matter, the director - the ship as she is today, it is easier for us to accept the second technology showing us the ship as an old woman remembers it. The transition as the weed-straggled hulk on a video monitor is transformed into the brand new behemoth thronged with passengers at Southampton dock is unforced.

We realise we are in the presence of all sorts of technological trickery. But we

don't mind, because this is a film that knows and accepts that everything about it is technological, that it is as much an artifice as a huge piece of iron floating in an

If that remarkable shot has an ancestor, it is 2001: A Space Odyssey, where a bone thrown skyward by an exultant ape-man is transformed in an instant to a satellite falling around the earth as Stanley Kubrick, the director, cuts from mankind's first technology to its last Like Cameron, Kubrick is fascinated by technology both in the world at large and in the film studio.

Sir Arthur Clarke, Kubrick's collaborator on 2001 (and a man fascinated enough by the Titanic to have written a book about her) likes to say that any sufficiently advanced technology is indistinguishable from magic. By this definition, Cameron's film is a magical illusion. And like most magic, it is personal. It may not have all the subtleties of great art, but it is far more impressive than others on the "most lucrative film of all time" list. Where they have offered mere spectacle, Titanic presents the memory of spectacle recreated.

And this is what we now want technology to do. We no longer seek to use it to conquer nature. We worry too much about what we have done to nature. Instead we use technology to create images of the world and to communicate across it. Titonic brings a sentimental story and a spectacular event together to tell us that we can communicate across a whole century - and that technology can help us do it.



## FINANCIAL TIMES

Number One Southwark Bridge, London SE1 9HL Tel: +44 171-873 3000 Telex: 922186 Fax: +44 171-407 5700 Tuesday March 24 1998

## Yeltsin and Russia's future

Boris Yeltsin likes to keep his ministers on their toes. His decision yesterday to sack the entire government certainly achieved that. What it will mean for the future of economic reform in Russia is not so clear.

inagement dispute

Mr Yeltsin claimed that he had dismissed the government because it had failed to make enough progress on economic reform. If this were the only reason, his timing would be questionable. In recent weeks, confidence in Russia's reform programme has been improving.

The rouble has been stabilised after last year's speculative attacks. Interest rates have fallen, and the stock market has recovered some ground, after dropping 20 per cent during the last quarter of 1997. And fiscal reform has been taken forward. with a push to increase revenues and to control spending.

But despite these achievements, the new government has a huge task ahead to set Russia on a sustainable growth path.

Fiscal reform needs to go much further. Tax revenues were just 10.8 per cent of gross domestic product last year, compared to spending of 18.3 per cent of GDP, according to the IMF. Tightening up compliance with the existing tax system is certainly necessary, complex and inefficient tax system needs an overhaul.

And reform of Russia's business environment, essential to regulation and an inadequate space to act.

legal system are stiffing the creation of new companies and inward investment. A whole programme of reforms is needed. including better corporate governance and the liberalisation of company regulations. Mr Yeltsin also needs to show that he is determined to reduce the influence of business on government, by distancing himself from Russia's corporate barons.

Mr Yeltsin is certainly aware of the need for these reforms. But his attention may be distracted by two other priorities. One is to keep up economic growth. Mr Yeltsin has made it clear that he is still aiming for growth of 2-4 per cent this year, although the central bank is expecting growth of 1 per cent at best.

His other priority, of course, is political manoeuvring, ahead of the presidential elections in 2000. Mr Yeltsin has long been playing off Russia's political factions against each other, trying to pre-vent any of them from gaining the government, whatever reasons Mr Yeltsin gave, was cerrather than economics.

It is too early to say whether Mr Yeltsin's decision will, as he has implied, increase the influence of the economic reformers. but it is not enough. Russia's But one thing is certain. Mr Yeltsin's constantly shifting alliances are undermining the develop-ment of a consistent and bold reform strategy. He must give his growth, has been neglected. Poor new government the breathing

## Right mess

his bid vesterday to head the mum" programme that avoided Riviera regional council; main- explicit racism. But his cynicism stream conservative councillors in doing so came out when he preferred in the end to vote the left into power rather than be led by the loudmouth National Front leader. But the role of his farright NF after the March 15 regional elections has thrown into disarray the country's centre-right parties, which took a further pounding two days ago in a separate poll for French department councils.

In the past the traditional left and right have usually backed each other as a last resort to block the NF. But this time some on the centre-right, made all the more anxious to retain their local strongholds after their parliamentary drubbing last year, could not restrain themselves. Five leading members of the UDF federation, including Charles Millon, a former defence minister. have done deals with NF councillors to win office, and have been suspended by the UDF. Meanwhile the IMF's Gaullist ally. the RPR, has expelled its former secretary-general for calling the NF "part of the conservatives of

tomorrow". This is a triumph for Bruno Mégret, the NF's soft-spoken number two and increasingly probable successor. Rather than hurl equal abuse on left and right like Mr Le Pen, he has sought to

Jean Marie Le Pen may have lost seduce the right with a "miniacknowledged the right is "caught in the pincers, but that's their problem".

The NF phenomenon is partly due to lack of choice elsewhere, The traditional left and right have not colluded in coalition in the way that has, for instance, helped produce Jörg Haider's farright Freedom party in Austria. But there is much overlap in policy, if not in rhetoric, between the mainstream left and right in France. In recent years, protest voters have also gone straight from the Communist party to the NF. Communist participation in Lionel Jospin's Socialist government may accelerate this trend.

But above all the NF is thriving on the political bankruptcy of the fragmented right. Before the 1995 presidential election there was talk in the RPR and the UDF of a merger to form a big conservative party as in Germany and Britain, but this was killed off in their civil war in that election.

Now the UDF is busy splitting into a pro-European centre which has little in common with the RPR under Eurosceptic Philippe Séguin and a right that has all too much in common with the NF. For survival, they must combine to create a modern party to face today's enemy.

## Tsar of all he surveys

Chrystia Freeland looks at the implications of Boris Yeltsin's sacking of the Russian government, both for economic reform and the presidential succession

eltsin does not have a personal ogy. His ideology, his friend, his concubine, his mistress, his passion, is power" thus concluded Vyacheslav Kostikov, a former presidential spokes-man, in his tell-all Kremlin mem-

This frank analysis may have earned Mr Kostikov the wrath of his former master, but, as Russia reels from Boris Yeltsin's latest lordly shake-up of the political scene, its view seems to have vin-

With a blast of presidential decrees, Mr Yeltsin yesterday dismissed the entire cabinet. together with the prime minister who had served him for more than five years and who had been, along with the president himself, one of the few fixtures of the past few years of Russian government. For good measure, Mr Yeltsin wrote a special order sacking Anatoly Chubais, the architect of Russia's bold market reform drive and who, just last month, the president had promised to keep at his post until 2000.

These extraordinary steps amount to the most dramatic change in the Russian government since the violent confrontation between the Kremlin and parliament in October 1993. And too much power. The dismissal of | Mr Yeltsin has taken them with an almost ostentatious lack of ideological justification. Mr Yelttainly motivated by politics sin praised the record of the government he has just sacked, gave the prime minister a medal and insisted that "the resignation of the government does not mean any change of our policy course". So what on earth does it mean

> The first answer is inescapable: yet again, Mr Yeltsin has made himself tsar of all he surveys. Nothing else makes sense. "This is not connected with ideology or with the 'bankers' war' [rivalry between rich business people]," says Lilia Shevtsova, a respected political scientist. "It is only connected with Yeltsin's effort to secure his own power. Everything again depends entirely and only on him."

As has happened before, the president has reasserted his authority so as to spread maximum confusion elsewhere. It was as one observer put it, "a bolt of lightening from clear blue sky". Even the new acting prime minister, Sergei Kiryenko, a 35-year-old with less than a year's experience in government, seemed genuinely stunned by his sudden promotion. Although he has both solid reformist credentials and good contacts with Russia's economic establishment, Mr Kiryenko is a green politician, with no independent power base.

The element of surprise brought discomfort to the machinery of the Russian state particularly the ministry of finance, which saw its careful plans to re-enter the international capital markets with a eurobond issue scuppered by the news from Moscow. The markets did not much like it either: Russian shares fell 10 per cent on the news, though they more than recouped the losses by close of business. The rouble followed

Mr Yeltsin, though, may welcome a certain amount of confusion. He may even have intended it. By plunging Russia into political chaos, he has also put himself back at the centre of the most important game in town - the search for Russia's next presi-

Ageing, ailing and half-way through his second term in government, the once omnipotent Kremlin chief had found himself growing marginalised as the country focused not on him, but on his potential successors. Even the (to put it politely) uncharismatic prime minister, Viktor Chernomyrdin, began to assume an independent political role, emerging, in the eyes of some observers, as one of Mr Yeltsin's

most likely successors. Now, with one fell swoop, Mr Yeltsin has got rid of his close rivals. And the question is: what is the significance of this?

In the past, when Russia was locked in a historic struggle against communism. Mr Yeltsin. for all his drunkenness and crudeness, tended in to come down on the right side of history, that is, on the side most likely to defeat the communists. He made many great mistakes - most notably the war in Chechnya but more times than not when he intervened in the way he has just done, it was to support the modernisers and reformers in

Today, the Communists have heen defeated and the biggest question facing the country is how to make the transition from the first, heroic generation of anti-Communists to the more normal politics of democracy. This involves the first democratic transition of executive power, and the first post-Yeltsin president. In these circumstances, a reassertion of power by the president seems to make the question of the succession murkier, not

The most dramatic sort of succession would be the one in different ways. enforced on the country if the

**OBSERVER** 

office. Under normal circum- in the sway of a powerful group stances, the prime minister takes of corporate oligarchs and will over for a short time until an act accordingly, that is, to ensure election. But with the premiership in the hands of a young man with the weaker credentials of "acting prime minister", the situation is unclear. If Mr Yeltsin were to die tomorrow, Ms Shevtsova says. Russia would be plunged into "a most dangerous political crisis". For a country which has never peacefully replaced one sitting, democratically elected leader with another, that danger is a particularly grave one.

Assuming this does not happen, how does the sacking of the government affect the succession? Take Mr Chernomyrdin's position first. Formally, Mr Yeltsin insisted that the prime minister as leaving to "concentrate on political preparations" for the presidential race in 2000. The words were a masterful sleight of hand, leaving the humiliated Mr Chernomyrdin with just enough room to hope that he is, implicitly, being anointed as Mr Yeltsin's crown prince.

But the more likely effect of that innocent phrase is to exile Mr Chernomrydin to political Siberia. Mr Yeltsin and his spokesmen were exquisitely careful not explicitly to to back Mr Chernomyrdin presidential candidacy. And by sacking the prime minister, Mr Yeltsin has deprived him of the political powerbase which made his candidacy seem likely in the first place. With Mr Chernomyrdin weak-

ened, perhaps fatally, Mr Yeltsin again both king and kingmaker. In principle, he could use his nower to affect the succession Some Russians reckon that Mr

ousting Mr Chubais, the sacked first deputy prime minister. Mr Chernomyrdin went as well because he had become too cosy with the "young reformers" whom the oligarchs detest. Byzantine as it sounds, this

argument has had serious airing in the analytical reports of ern investment banks. Mr Berezovsky himself has added credence to the theory by describing himself as a Kremlin adviser and magisterially welcoming Mr Yeltsin's decision as wise if overdue. There is, however, another view; that, by firing his government. Mr Yeltsin is clearing the way for a new era of reforms that

them takes over. This theory

views the government purge as a

"coup" masterminded by Boris

Berezovsky, one of Russia's most

influential magnates and an inti-

Mr Berezovsky, the argument

goes, has finally succeeded in

mate of the Yeltsin family.

could pave the way for a modernising new president. In this optimistic scenario, Boris Nemtsov, the reformist first deputy prime minister (who, unlike Mr Chubais, has not been explicitly and personally sacked) or Grigory Yavlinsky, the head of the liberal opposition Yabloko party, might chosen to head a government with cleaner hands and a commitment to reforms more credible even than Mr Chubais, who has been weakened by his dirty war against the oligarchs.

"I think essentially it is a fur ther step towards reinforcing the renewed reform drive, Yeltsin is reinforcing this last, breakthrough attempt at reforms."

ailing Mr Yeltsin were to die in Yeltsin is today, as never before, argues Dirk Damrau, head of research for MFK-Renaissance, a a candidate suitable to one of round to this view, after their initial slump.

It is, perhaps, a measure of Mr Yeltsin's genius as a political tactician that, with a single set of decrees, he has succeeded in inspiring such diametrically opposed interpretations. Tactically, it has worked: Mr Yeltsin is in unquestioned charge. For longer-term stability, the overthrow of the government looks

worrying. As UCB Capital, a Moscow investment bank, warned "for months to come, there can be no guarantee that we will not wake up on another Monday morning to the news that Yeltsin. prompted by his confidents, has not turned over the table once

One of Mr Yeltsin's favourite gambits is a two-step revolution. in which he swiftly follows one dramatic measure with a second bold move changing the original. dire, expectations. It is still possible that Mr Yeltsin plans to do that now, replacing the current confusion with a clearly articulated political agenda and strong team that governs on the basis of something more solid than the caprices of the president.

It is possible. But it is also possible that Mr Yeltsin is increasing his authority so that he can seek to manipulate the constitutional ban on a third term and run again. If he has no clear vision for Russia's future beyond securing his own grasp on power he will become little more than a despot, and an elderly, easily manipulated one at that Russia has had enough of those.

## Nigeria's chance

If nothing else, Pope John Paul's visit to Nigeria, which ended yesterday, has focused attention on the country's deepening crisis. His appeal to General Sani Abacha, Nigeria's military leader, to release around 60 political prisoners gives the regime an opportu-

nity to respond to its critics. The acid test will be the treatment of two detained opponents Chief Moshood Abiola, winner of the aborted June 1993 presidential election, and retired General Olusegun Obasanjo, the respected former military leader who presided over the transition to civilian rule in 1979.

If Gen Abacha releases them, Nigeria could yet pull itself back from the abyss. Otherwise, recent events have been ominous. Last December saw the arrests of senior members of the military. apparently pre-empting a coup attempt. The country's economic decline continues, worsened by the fall in the price of oil.

The promised handover to civilian rule by October this year is fatally flawed. The contestants in the election are restricted to five parties carefully selected by the government. At least four of them are likely to adopt Gen

Abacha as their candidate. Susan Rice, US assistant secretary of state for African affairs, said earlier this month: "Let me state clearly and unequivocally that an electoral victory by any military candidate in the forth- plea.

coming presidential elections in Nigeria would be unacceptable.' Fine words. But the west's only really powerful weapon is oil sanctions. A properly policed and internationally supported

embargo could cripple Nigeria. However, Nigeria has what amounts to a hostage. Its army played the leading role in restoring the civilian government of Sierra Leone, and continues to provide security there.

And though oil sanctions would damage Nigeria, they might not lead to a democratically elected government. The opposition to Gen Abacha is fragmented along religious and ethnic lines. The pressures caused by sanctions could plunge Nigeria into chaos.

There is little real appetite for oil sanctions in the west. What is left is a clutch of other, weaker, measures. The actions already in place - a visa ban and arms embargo – can be continued, augmented by a freeze on the overseas assets of those associated with the regime and a ban on air links. Such threats may not persuade Gen Abacha to surrender power. But they may help influ-

ence his use of it. On his trip to Africa, President Bill Clinton has not given Nigeria the endorsement of a visit. He should nonetheless spell out to Gen Abacha the consequences of a failure to respond to the Pope's

**Ministerial** memories

As Yashwant Sinha settles back into the Indian finance ministry, it's still not entirely clear what propelled the long-time bureaucrat into such a crucial job. Sinhe's last spell at the government's exotically-named North Block - in 1991 - ended in a balance of payments crisis.

There was some surprise when premier Atal Beharl Valpayee picked Sinha ahead of Jaswant Singh, whose 1996 spell at the ministry didn't end in a crisis - though it did last only 13 days. Singh didn't help his chances by losing his seat in the elections, but was still seen as Vainavee's favourite and could have been manoeuvred into place via the upper house of partiament.

The semi-official spin is that the hard-line Hindu RSS, a sister organisation of the Bharativa Janata Party, which leads the new coalition. objected to giving top jobs to defeated candidates - a convenient point of principle to use against

someone it has long distiked. But there may be more to it than that: the Delhi media recall Singh's role in a corporate war between Reliance, India's largest company, and bitter rival Bombay Dyeing a few years back. Both decided to make raw materials for polyester and were said to have used political

connections to obstruct each other. Singh is close to Bombay Dyeing chairman Nusli Wadia, and one of the few things he had firme to do in his 13 days as finance minister was

to order an investigation into whether Reliance had unlawfully Issued duolicate shares.

Wadia has been in Deihi lately, lobbying hard for Singh to get his old. icb back. Reliance officials deny that they did anything to contribute to his defeat. Maybe Singh's loss at the

#### Random thoughts Executives at Random House might

want to take a closer look at some o their titles now that the venerable New York publisher has been snapped up by German media group

Hardly had the deal been inked in New York when, a continent away in a Munich hotel. Bertelsmann workers were proudly laying out a table of Random House books. Among the weighty Webster's dictionaries and highbrow offerings from novelists such as Pulitzer prizewinner Richard Ford was a guide to polishing up your CV in case the unthinkable should happen and you find yourself

being "let go". This might be a useful tome to have on hand back home. The last time Bertelsmann went on a significant shopping spree in the Big Apple - buying Doubleday Dell in 1986 – cheirman Mark Wössner soon appeared on the Hudson to push through a bit of restructuring.

#### **Price sensitive**

Africa's status as the poorest continent is hardly reflected in the \$35,000 which members of the

Washington media pack are paying to tag along on Bill Clinton's six-nation jaunt.

Officials say Africa's primitive Infrastructure means that essential such as bullet-oroof limousines. special presidential lectern. copters and an international press filing centre with IDD lines - have to be flown in at huge expense.

Anyway, they say, "the White House press coms likes to travel in some style". Maybe so, but the \$350 a night for lodging in a continent where few hotels can muster daily bills over \$200 looks quite a mark-up.

#### Knocked down

An auction allows money and property to change hands quickly, creating benchmark prices on the run - except in Thailand, a country that likes giving market principles a bit of an extra twist. With \$16bn or so in assets

confiscated from the country's shuttered finance companies to go under the hammer in the next eight months, investors thought they would get a sense of the market value of such gristy things such as bad loans to defunct companies backed by overpriced property.

No such luck. The Thai government says it will keep the winning bids secret until the auction process is nearly over. And even then it will talk about what investors paid for packages of assets, rather than individual prices.

It seems that the authorities want to keep some air in the economic

bubble and fear that if low, low prices became public, other asset prices might fail, isn't that the idea?

#### Official line if there really is to be a reshuffle in

France's left-wing coalition cabinet, It's unlikely that the Greens, the anti-European Citizens' Movement or even the fractious Communists would quit - they've spent too long in the wilderness to want to go back. The most prominent loser is likely

to be culture minister Cetherine Trautmann, who has had a rough time with legislation and the controversial banning of an extreme right-wing publication from the Natio∩aĭ Library, Not that she will lose her main job,

it's her second role as government spokesman that is in jeopardy many of her colleagues are already showing her a clean pair of heels in the race to the microphone. Asked for an official comment on a possible reshuffle, she could only say: "I don't exclude any hypothesis,"

#### **Good Heavens**

that may, or may not, come crashing to earth. The astrophysics team at the UK's Edinburgh University is looking further ahead - about 20 billion years. Helped by a cosmic grant from the European Union, it'll try to work out whether the universe will end in an almighty crunch. Pie in the sky. perhaps. But who better to lead the star gazing than head of department Dr Alan Heavens?

Forget about the lump of space rock

#### Financial Times 100 years ago

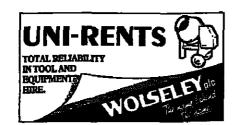
Bicycles For Italy Consul de Zuccato thinks that

there is undoubtedly a good opportunity at the present moment for British manufacturers of bicycles and their appurtenances to extend their

trade in the Italian provinces if they could send out machines of a smart and stylish appearance at the approximate prices now ruling for Italian-made machines. Should the matter be taken up by British manufacturers, our Consul points out that it would be expedient to advertise on a big scale in the Italian language and to grant liberal commission to dealers.

#### 50 years ago

Grains Plan In Queensland The Overseas Food Corporation and the Queensland Government have now agreed to a scheme for the cultivation of coarse grains and, later probably, sunflowers on some 300,000 acres of grassland in Queensland, states the ministry of Food. The coarse grains will be used for animal feedingstuffs, and in particular pig food, in the first years of the scheme in perticular the larger part of the crop will be shipped to Britain, but the use of the crop will be decided in the light of commercial considerations from year to year.



## FINANCIAL TIMES

THE LITCHFIELD GROUP OF COMPANIES MANUFACTURING WORLDWIDE NETHER REAGE, DERBY, DE36 20 TEL 01775 553311

**TUESDAY MARCH 24 1998** 

THE LEX COLUMN

## Kremlin coup

Some doctor Boris Yeltsin must have. By leaping from his sick bed to sack the prime minister and entire cabinet, Mr Yeltsin has signalled that economic reforms will go on regardless of which faction rules the cabinet. Helped by a resurgent oil price, Russian shares have edged upwards and yields on rouble-denominated government debt have been largely unchanged. Such equanimity in the face of a sharp reminder of Russia's political volatility betrays a certain admiration of this spirited presidential axe-

The attachment of Sergei Kiriyenko, the new prime minister, to the reformist camp around Boris Nemtsov bodes well for greater transparency in government than characterised the era of Victor Chemomyrdin, the outgoing prime minister. Mr Kiriyenko must, though, still prove he is

Support for the basic tenets of macroeconomic stability is broad-based: the credibility of monetary policy has been boosted by the move towards the singledigit inflation target and January's smooth re-denomination of the rouble. Furthermore, although the budget deficit has not been helped by falling oil revenues and patchy tax collection, commit-

ment to its reduction is solid. Nevertheless, much more remains to be done, particularly at the corporate level. Severing overcosy links between the government and big business would be a good start to ensuring the government's tax collection improves and dubious subsidies are eliminated. Further moves to sharpen up corporate governance will also be vital to building investor confidence and developing an equity culture in Russia.

#### Bertelsmann/Random House

Of all Bertelsmann's businesses, book publishing is among the worst performing. On the face of things this makes its acquisition of Random House look, well. random. After all, the trend in the industry is to move up the pyramid of value. into "must have" business information, not back down towards cyclical consumer spending. If Bertelsmann were a public company it would be hard to imagine investors tolerating such a large investment in a low-returning business

As a private company, however, Bertels-

strong position to drive consolidation in the industry. With much for sale at the oment as companies get big or get out -HarperCollins and Simon & Schuster are also up for grabs - profitability should improve as economies of scale are

exploited and pricing firms. Provided it does not overpay, Bertelsmann's decision may prove shrewd, despite the gradual decline in the amount people read. The advent of internet retailing stands to benefit book publishers. Online ordering through the likes of Amazon.com has driven down costly book returns and revitalised publishers' back-

Japan's economic misery is throwing up juicy opportunities for foreigners. Yesterday brought news of how Nempuku, the large public sector pension fund manager, is now handing around half of its new business to foreign fund managers. Coming barely a week ahead of the Big Bang egulation of financial markets, it is a chilling reminder of how vulnerable Japan's financial sector is to foreign plunder. Foreigners have also made dramatic gains in areas such as equity trading and unit trusts.

Pensions deregulation has been spurred the need to boost investment returns if the pensions of Japan's ageing population are to be paid. It is little wonder that foreigners are grabbing market share; Japan's life assurers have performed so dismally that they have had to renege on

cloud of corruption that has hung over the Japanese financial system has made pension fund managers increasingly willing to transfer mandates to foreigners. The increasing prominence in Japan of global consultants like Frank Russell has simply oiled the wheels.

The upshot is that Japanese managers are concentrating more on performance, less on traditional relationships. This is great news for new market entrants. But success will require more than just exporting Wall Street practices to Tokyo. Indeed, the winners will probably be those who succeed in convincing Japanese fund managers and investors that what they are being offered is not the foreign way, but the modern way.

#### Cendant

Cendant, already the world's largest consumer services company with a market capitalisation of over \$30bn, has just got even bigger. In a matter of hours, it won its \$3bn battle for American Bankers Insurance, a credit insurance group, and snapped up UK-based National Parking Corporation for \$1.3bn. But car parks? On the face of it, NPC

eems an odd match for Cendant, a business that spans membership services hotels and fleet management. But Henry Silverman, Cendant's acquisitive chief executive, believes that in car parks he has spotted an archetypal Cendant business, where existing demand is coupled with opportunities to consolidate. Cendant is already looking for more car park acquisitions in the UK, where financially stretched local authorities are keen to sell assets, and in continental Europe, possibly in partnership with a property devel oper and investment group.

But the real juice has to come from cross-selling opportunities, the crux of Cendant's talent. The direct marketing skills of the old CUC - which merged with HFS late last year to create Cendant helped build its membership services business from 100,000 members 15 years ago to 60m. So Mr Silverman is fixated with the 3m sets of British eyeballs whose owners are daily users of NPC's facilities in the UK. While the dingy confines of a multistorey car park may seem an unpromising place to grab a consumer's attention, Cendant has shown that a low response rate mann is free to take a different view. guaranteed returns. But it is not only to junk mail in credit card bills, for exam-Clearly it believes its size puts it in a about returns. Over the past year, the ple - can still be highly profitable.

## Tokyo rules out income tax cuts from economy boost

Focus on public works is likely to prompt overseas criticism

#### By Michiyo Nakamoto in Tokvo

Japan's ruling Liberal Democratic party yesterday ruled out income tax cuts from an economic stimulus package to be unveiled on Thursday. The package, which should be worth between Y10,000bn (\$76bn) and Y15,000bn (\$115bn), will instead be focused on public works spending and new funding for childcare and other welfare programmes.

The agreement reached at yesterday's policy meeting of LDP leaders, is likely to trigger strong overseas criticism, particularly from the US, which has publicly called for strong measures, including income tax cuts. Japan's trading partners have

urged its government to adopt substantial income tax cuts to boost domestic demand, which is seen as crucial to help absorb imports from Asian economies hit by currency devaluations.

Last week, Richard Daley, US commerce secretary, suggested the US would be looking for tax cuts as well as public works projects to stimulate

cuts by Japan, where household spending last December showed its sharpest decline in 24 years, down 5 per cent compared with the same

month the year before. Top LDP officials, however, are opposed to income tax cuts, which they believe would force Ryutaro Hashimoto, the prime minister, into a policy U-turn and increase calls for his resignation.

income tax cuts would have to be funded by deficit bonds which the government is committed to stop issuing by 2003. Public infrastructure spending, on the other hand, can be funded through construction bonds which are not restricted under

fiscal reforms adopted last year. Moreover, the LDP prefers to take actions that are almost certain to

minimise job losses. While many members of the LDP have urged substantial income tax cuts, the powerful LDP secretariat. led by Koichi Kato and Taku Yamasaki, has resisted such calls. Mr Yamasaki indicated on a Sunday the economy. Many private econo- news programme he did not believe

mists have also called for income tax income tax cuts would have a posttive effect in boosting the economy. The decision not to include income tax cuts in the stimulus package is likely to have a damping effect on

the markets. "The market will be disappointed." said Ryoji Musha, strategist at Dent. sche Morgan Grenfell in Tokyo,

He said, however, that the fiscal reform legislation would in any case have limited tax cuts to Y2,000bn which would not have been enough to lift the gloom. "The LDP's options are extremely limited," he said.

Meanwhile, the LDP has strongly indicated it is considering using public funds to support the market. Yesterday, Mr Hashimoto told the Dist that investment of public funds in the stock market was being considered because it would diversify public fund investments, not manipulate the market.

Injection of public funds is likely to have a greater and more immediate impact on the market than the possibility of tax cuts, said Ken Okamura, market strategist at Dresding Kleinwort Benson in Tokyo.

essarily best served by EU rules

Tension between the sporting

world and the EU authorities began

to increase in 1995 when the Euro-

pean Court of Justice backed claims

by Jean-Marc Bosman, the Belgian

footballer, that his club's transfer fee

Sports bosses say the Commission

has embarked on a path that could

disrupt the world of sport with

excessive bureaucratic intrusion and

protracted legal battles. Over the

past year, disgruntled players from a

range of sports have been taking

grievances against associations and

demands were a restraint on trade.

## Sports governing bodies fight Brussels over self-regulation

Erente Tocker in Brussels

International sports governing bodies will today mount a concerted challenge to the European Commission's attempts to extend competition rules to sport.

More than a dozen sporting organisations, including Uefa, the European football association, and the FIA, the motor racing authority that runs Formula One, will meet in Lausanne under the auspices of the International Olympic Committee.

The meeting will provide the first opportunity for the organisations to plan a joint defence against what they see as the EU authorities' attempt to supplant world sport's tradition of self-regulation.

Uefa and the FIA in particular are furious at the way Karel Van Miert, EU competition commissioner, has been applying the EU's rules to longsports governing bodies regulate their sectors. Sports officials say his actions are detrimental to the interests of sport.

Mr Van Miert believes sports authorities such as Uefa and FIA operate as virtual monopolies that work against the public interest.

He is waging a campaign against restrictive practices within the sporting world to coincide with its increasing commercialisation. The increase in profits from television rights has underlined the need for an outside referee, in his view.

The IOC, which traditionally sidesteps public controversy, yesterday played down the significance of the meeting. "This is an informal meeting to identify and define pending questions that need to be solved," François Carrard, the IOC's director general, said.

But Marcel Benz, a legal adviser to Uefa, said: "We have our rules and our traditions. We are asking: why

FIA has rejected the Commission's charges that the Formula One motor racing system amounts to an illegal

federations to Brussels.

monopoly. It argues Mr Van Mieri has failed to understand that a global sport must have a central authority to regulate events and

"The interests of sport are not nec- World Cup legal moves, Page 2.

#### **CONTENTS**

# Letters Arts Guid

**Features** 

sident Bill Clinton and wife Hillary – with Ghana's president Jerry

## **Companies & Finance**

American Company News

## Markets

Bond futures and options FT/S&P-A World Indices .. Morid stock markets reports World stock market Estings London share service ., lecent issues, UK . Managed funds service

FTSE Gold Mines inde

iper since July 1996. ing of annual or interim reports and

re: online archive of back issues

Directory of online services via FT Electronic Publishing

FT.com: the Financial Times web site:

accounts of 1200 UK pics Cityline: how to get stage prices and manket reports by telephone and faxbeck. Surveys: details of forthcoming editorial

# trom

Total Wealth Management from EFG Private Bank is much more than a traditional banking service, it's a total banking solution. It offers every one of our clients the close, personal attention of an international team of people who are expert in every step of private wealth creation and management, from A-Z.

Total Wealth Management from EFG.

EFG A Private Bank

GENEVA ZURICH LAUSANNE LONDON ATHENS LUXEMBOURG MONACO

GUERNSEY JERSEY MIAMI SÃO PAULO BRITISH VIRGIN ISLANDS BERMUDA EFG PRIVATE BANK LIMITED IS REGULATED BY IMBO IN THE UK

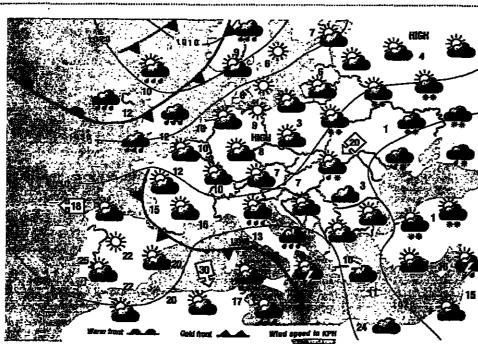
#### FT WEATHER GUIDE

#### **Europe today**

South-east Europe will be dry with some sun but will stay cold. The central Mediterranean will have heavy showers and thunderstorms, mostly over Italy. The Balkans may see wintry showers with snow towards Russia but central Europe will be dry after fog patches have lifted. Most of the iberian Peninsula will be sunny and the south will be hot. Rain will move into the UK and over Sweden, but Finland will

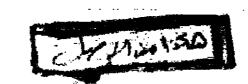
Five-day forecast

The south-east will stay cold and heavy rain over Italy will spread mid-week. Local flooding will be a threat, especially over western Turkey. Rain, preceded by snow, will spread across north-was Europe and into central and eastern areas later in the week

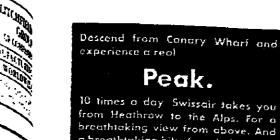


Febr Febr Febr Rein Febr Cloudy Sun Febr Febr Rein Constant improvement of our service. That's our commitment. Lufthansa

Sun Shower Sun Shower Fain Cloudy Shower Sun Sun Shower Fair Fair Fair Cloudy Shower Cloudy Fair Cloudy Half Sun Sun Suff Sun Sun Croudy Rein Rain Rain Feir Stawer Sun Rain Rain Feir



:<u>-- :</u>



FINANCIAL TIMES

## **COMPANIES & MARKETS**

TUESDAY MARCH 24 1998

Penny. Those with enough Qualiflyer miles-A generous halping can be obtained from airlines, car hire, hotels, taxfree shops. For yourself or a friend. swissair 🛨 world's most refreshing airline.

Contrary to a widely held belief

some of our passengers don't pay a

#### INSIDE

a breathtaking hike from below.

swissair 🛨 world's most refreshing airline

Swiss bank secrecy stripped away Since Lukas Mühlemann took over as chief executive of Credit Suisse last year, he has stripped away much of the mystique about Swiss banking. The openness seams to be working; Credit Suisse's share price has nearly doubled since he took charge. Page 20

Déjà vu at Crédit Lyonnais

History is repeating itself at Crédit Lyonnais, the French state-owned bank struggling to shrug off losses from the early 1990s. In 1994 the bank's firsthalf results were delayed as disagreements stalled a government-backed rescue plan. Today the feucling continues and a plan is still not agreed. Page 23

CGC uses soaps in media war



Programming is one of the main elements with which Venezuela's Cisneros Group of Companies hopes to win the Latin American television war. Venevision, its flagship channel, which reaches 300m viewers in more than 100 countries, has doubled its annual oroduction of soap operas to 16. The latest scap, star-

ring Alicia Machado (above), was pre-sold to Spain, the US, and other Latin America countries. Page 22

US rally lifts Europe off lows

Government bond markets closed mostly lower but above their worst levels sparked by talk of rising oil prices and of political turnoit in Russia. European markets dipped sharply but recovered after the US market railled, sparked by an outright purchase of Treasuries by the Federal Reserve. Page 28

Aiful raises \$253m in global offering Alful Corporation, a Japanese consumer finance group, has raised Y33bn (\$253m) in a global share offering, selling 4m shares to international investors at Y8,271 a share. The issue was twice subscribed, with

Holiday gives Pakistan a break Yesterday's independence day holiday in Pakistan allowed Karachi's investors time to recuperate from last week's losses. The KSE-100 share index lost 4.5 per cent, mainly due to political and economic uncertainty, and anxiety that some of Karachi's brokers

one-third going each to investors in the US, the UK

and Europe/Asia, Page 28

faced large losses. Page 40 **Drought hits Vietnam coffee** 

Drought has affected 45,000 hectares of Vietnam's coffee-producing province of Daklak where more than 65 per cent of Vietnam's coffee is produced. The crop - one of Vietnam's best foreign exchange eamers - could be cut by 10 per cent. Page 30

Metals supply outstrips demand

There were strong increases in demand for aluminium, copper and nickel last year, in spite of the develcolnic economic problems in Asia. But that was not enough to prevent substantial supply surpluses build-

#### COMPANIES IN THIS ISSUE

23 Generali 22 Goldman Sachs AMP 24 Goodyear Tire & Rub 20 Green Cross Africa Israel All American Pipe An Feng Kingstream ICI 24 IMI Impac Hote 20 Lasmo Atlas Copco 25 Lucchini Lyondell Petrochem Magna International BNP 23 Magona D'Italia Bancario San Paul Mannesmann Demag Bank Leumi Beacon Group Meij Mutual Bertelsmann Millennium Chemicals Borg Warner Morgan Crucible NCP British Aerospace NPC British Petroleum Nippon Life CGC

Occidental Pe Plains Resource Powerscreen 19, 26 Random House SBC

Continental Credit Sulsse Creditanstatt Crédit Commercia 23 Crédit Lyonnais Savoy

Deutsche Telekon Donaldson Lufkin Donohue Eastman Kodak

CIC

Eli Aquitaine Enterprise Oil Ford GSM GUS Gazprom

SBC Communications Sandvik Servico Shaw Communications 22 Shell UK Sibneft 25 SocGen Sodexho Allianca Sony Music 36 Steyr-Daim 22 Sumitomo Life 6 Telecom Italia 20 Toyota 25 LIBS 36 Unipetrol 22 Usinor 26 Vicenza 3 Western Int'l Comms

CROSSWORD, Page 30

25 Yuksi

#### MARKET STATISTICS

Annual reports service 34,35 FTSE Actuaries share indices 36 Foreign exchange achmark Govt bonds Bond futures and options 28 Gifts prices 28 London share service Bond prices and yields 30 Managed tunds service modities prices 26 Money markets Dividends appropried 15K New Intl bond issues EMS currency rates 28 Recent issues, LIK Eurobond orices 28 Short-term int rates Fixed interest indices 37 Stock markets at a glance FT/S&P-A World Indices 36 US Interest rates FISE Gold Mines Index World stock markets Emernino Market boods

## US sues to halt Lockheed-Northrop link

By Christopher Parker in Los Angeles

The US government yesterday fulfilled its threat to take legal action to prevent the \$9bn merger of Lockheed Martin and Northrop Grumman. A suit filed in federal district

court said "critical" defence functions would be affected by the proposed "unprecedented concentration" in the industry, which has seen \$60bn worth of acquisitions so far this decade.

Joel Klein, the chief federal anti-trust official, said later the companies had made no offers to satisfy the government's concerns. Lockheed

Pentagon's fears over concentration in defence sector said it was prepared to go to a lawsuit if agreement was not Most pressure appears to have court to fight for the deal, but reached this weekend, even come from the Pentagon, the added it wanted to continue tried to make more room for

negotiations. The action, which followed fruitless weekend talks in which Lockheed is believed to have offered to dispose of some of Northrop's more sensitive defence assets, had been heralded last week by Janet Reno, the attorney general.

manoeuvre by postponing the merger's planned closing date from today until April 24.

Government concern over the deal emerged unexpectedly about three weeks ago, when Lockheed revealed it had been informed of the government's On Thursday, she threatened "fundamental" objections.

though the companies had biggest single customer of the proposed partners.

Shares fall after weekend negotiations fail to ease the

"We have concluded that the [defence] department's interest would be best served if Lockheed Martin and Northrop Grumman do not merge." William Cohen, the defence secretary, said in a letter to the attorney general.

Northrop's stock continued

However, even if the agree

ment does hold, this might not

lead to a sustained rally in oil

sector shares. Oversupply was

not the only problem facing

the crude price; the crisis in

Asia has also reduced demand.

Our forecast for world

1998, down from our original

forecast of 2.75 per cent and

from 2.5 per cent in 1997," says

Predictions for the average

1998 price tended to be in the

\$15-\$18 range. So the price

needs to hold at yesterday's

levels and advance a bit fur-

ther to justify current earnings

road, the Opec countries turi

out to have short memories and increase production

again," says BNP's Morris.

Nick Glydon, technical analyst

at Flemings, says: "The rally by crude and the oil shares is

not enough to abort the bear-

Ms Graham.

its slide yesterday as the government called a press conference to explain its stance.

The shares had lost a further \$2% by noon in New York. At \$104%, the shares reflected the loss of market confidence in the deal since they hit a 52week high of \$139 at the end of February, after both compashareholders had annroved the merger. Although no details were

business be sold to prevent Lockheed gaining too much of an advantage in military con-tracting over Boeing and Raytheon, its remaining rivals. If allowed through as origi-

available, the negotiations apparently left wide differ-

ences over the value and

nature of the assets to be sold

before the authorities would be

It has emerged that the gov-ernment is demanding that the

bulk of Northrop's electronics

satisfied.

nally planned, the Lockheed Northrop combination would account for almost 25 per cent of the Pentagon's defence acquisitions budget.

## Producers halt oil's slide, but is it too soon to roll out the barrel?

Yesterday's rebound in the price of crude gave a fillip to the sector, but will the industry be able to stick to its guns, asks Philip Coggan

the beleaguered oil sector? The weekend agreement to cut production by Saudi Arabia, Venezuela and Mexico has at last helped the oil price escape from its downward spiral.

Between early 1997, when the Brent spot crude price touched \$25 a barrel, and late last week the oil price effectively halved in less than 15 months. In real terms, the price was back to where it had been before the first oil shock in 1973. The recent slump had taken

its toll on the share prices of oil companies. By the weekend, the UK integrated oil sector had underperformed the FTSE All-Share index by 17.4 per cent since the start of September, while the exploration and production sector had fallen behind by 29.3 per cent. The US integrated oil sector has underperformed the S&P 500 by 11.1 per cent over the same period. Yesterday's rebound in the

price of crude - the May foried nearly **5**2 to \$15.12 by late London trading - gave an immediate fillip to oil sector shares. In London, BP and Lasmo each rose more than 7 per cent while Shell (less geared to the crude price) gained 4.3 per cent. In Paris, Total rose 7.3 per cent while Elf gained 4.6 per cent and in New York, leading oil stocks were all \$2-\$3 a share higher in early trading.
But the crucial issue for the

sector is whether the weekend agreement can hold. According diners who, knowing the bill at BNP.



to Sue Graham, oil analyst at will be split equally, have a be achieved and, more importantly, whether it can be

Opec has a longstanding tra-

Merrill Lynch: "There is scep-ticism as to whether a cut can expensive item on the menu. But it seems that, at last, the

oil price had fallen sufficiently to alert the over-producers to the folly of their actions. "Subdition of failing to keep to its \$13 has turned out to be the production quotas, with coun-tries having every incentive to Opec countries are concerned," cheat - just like restaurant says Keith Morris, oil analyst

So, if investors do risk a toast to the weekend news, they should probably use sparkling wine rather than cham-

ish longer-term patterns."

Opec's last stand, Page 16

## Elf pays \$528m to take 5% stake in Russian group

and David Owen in Paris

Elf Aquitaine, the French oil company, is to forge a strategic alliance with newly formed Yuksi of Russia, paying \$528m for a 5 per cent stake in the country's largest oil company. Yuksi, valued by the deal at \$10.4bn, is one of the largest private sector oil companies in

demand growth is 2 per cent in the world in terms of proven reserves. It has crude oil reserves more than three times greater than British Petroleum's. The Russian group is being formed through the merger of

companies. It is due to be It may be a little while largely completed by the end before yesterday's knee-jerk of the year. jump in oil sector share prices Elf is paying a premium of translates into a sustained more than 40 per cent over rally. "The market will proba-Monday's stock market value bly pause and wait to see the for its shares. However, the evidence that production cuts price may be adjusted after are coming through," says Yuksi's shares are listed on an Steve Turner, oil analyst at international stock exchange. HSBC James Capel. "The quesprobably next year. tion is whether, when we get The move is the latest examtwo to three months down the

ple of a tie-up between a Rusian energy group and an international oil major. In November, Royal Dutch/Shell announced a strategic alliance with Gazprom, the natural gas group, and BP teamed up with Sidanco, an oil company. Under yesterday's agree-ment, Elf will jointly develop

the Sugmut field in western Siberia at an estimated combined cost of \$1.5bn. The field has reserves calculated at chief financial officer, said the

sions with two other oil majors over similar deals.

He added that the Elf deal would have no impact on Yuk-si's interest in bidding for 75 per cent of the largest remain-ing state-owned oil company, Rosneft, which is due to be auctioned on May 29 at a starting valuation of \$2.1bn.

For Elf. Russia's enormous reserves represent an important opportunity to diversify its production, which is at present concentrated in Africa and Europe.

The deal stipulates that Elf and Yuksi will study ways of Yukos and Sibneft, two of the co-operating to develop western Siberia's Prirazlom oil country's biggest privatised oil field, with reserves estimated at 1hn barrels. The two groups will also carry out an evaluation of the Yurubcheno-Tokhomo field in eastern Siberia. Co-operation will include crude oil trading and the distribution of petroleum products in the Yuksi network.

Stephen O'Sullivan, oil analvst at MC Securities, the Russian investment bank, said the success of the alliance would ne on the the Sugmut joint venture. He pointed out that Yukos's previous foreign partnership, with Amoco of the US, had not been successful.

The final structure for the creation of Yuksi has been agreed, but it is unclear whether the management will prove able to achieve the potential cost benefits from the merger. Furthermore, the more than 700m barrels of oil. Russian companies have a che-Eugene Schvidler, Yuksi's quered past in dealings with minority shareholders.

## Cendant continues to expand with \$4bn double acquisition

By John Authors in New York and Jonathan Ford in London

Cendant, the US-based direct marketing company, yesterday continued its acquisitions campaign by sealing agreements to buy American Bankers Insurance of Miami for \$3.1bn and National Parking Corporation of the UK for \$1.3bn. The deals underlined the

company's intention to build revenues by offering extra products to its large network National Parking, known as

ald Gosling and Ronald Hobson 49 years ago to convert bid values NPC at 673 pence a share, or £800m, in cash. Sir Donald and Mr Hobson, who can expect to receive around £580m for their 72.5 per cent stake of the company, already

dends from their holdings American Bankers Internasince July 1995. The takeover follows their

decision last autumn to shelve plans to float NCP, which has 500 car parks, on the London 

chief executive, said his company plans to use car parks as an opportunity for "cross selling" Cendant's other services, which include car rentals and hotels. He said: "We view NCP as a consumer brand in the UK. It's a franchising brand to us, and that's our core compe-NCP, was created by Sir Don-tency. We can expand that brand throughout the UK and through Europe and perhaps

the US with partners." In particular, Cendant will try to take over the running of municipal car parks, taking advantage of local authorities' need to find extra revenue.

Cendant also announced received £162m in special divi- that it had agreed to acquire Lex, p18

tional, the Miami-based credit insurer, for \$67 per share, a total of about \$3.1bn.

The deal, which Cendant predicted would enhance its earnings next year, signals the end to a bitter bidding battle with American International Group, which had originally agreed to buy American Bankers for \$2.3bn. It also includes a package to compensate AIG. and to withdraw all the lawsuits which the two companies have filed against each other.

AIG will receive a termina tion fee of \$100m from American Bankers, and will receive another \$10m of merger-related expenses from Cendant.

The transaction, which requires regulatory clearance is expected to close by the end

Making a bomb, p26

## Continental plans Russian plant

By Graham Bowley in Frankfurt

Continental, the German tyre bolster the company's duce under five million [tyre] globalisation.

Continental, the world's fourth largest tyre maker, has restructured to cut costs over the last few years, with job reductions and swathes of production shifted to low-cost

Hubertus von Grünberg. chairman, said: "There are cost significantly less to build, interview. many Mercedes and BMWs in Russia requiring tyres. I facturing processes also wouldn't announce a location now. We are close to it.

presence [in Russia] already the US has said it wants to and that will switch to a Ruscompany, plans to open its sian manufacturing presence first manufacturing plant in at some point. It will be major-Russia to serve the country's ity owned, with a Russian growing vehicle market and partner. It will initially pro-

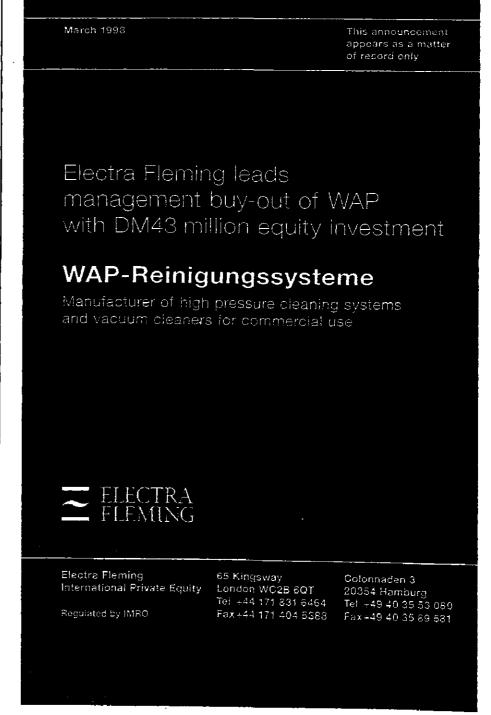
> units a year." Continental's new modular businesses, Mr von Grünberg manufacturing process, in said the truck tyre division which tyre parts are manufac- had also returned to profit in tured in low-cost locations and the first quarter. "For the first then shipped to plants in other markets for assembly, Plants using the new process

The hunt for cheaper manuthe \$70bn a year tyre industry. (\$177m).

"We do have a good sales Goodyear Tire and Rubber of double in size, prompting speculation about consolidation in the industry. Mr von Grünberg has trans-

formed Continental after heavy losses earlier this decade. Having turned around The Russian plant would use the group's car tyre and US time in company records truck tyres are profitable in the first

Continental announced last week that net profits rose 67 reflects intense competition in per cent last year to DM322m



TELECOMMUNICATIONS ROMANIAN GOVERNMENT HOPES SALE OF 35% STAKE WILL VALUE UTILITY AT \$4bn TO \$6bn

## Six leading groups eye Rom Telecom

East Europe Correspondent

Six leading west European and US telecommunications groups have emerged as prospective bidders for a strategic shareholding in Rom Telecom, the Romanian

state-owned telecoms utility. The groups include Deutsche Telekom, France Telecom, KPN of the Netherlands, OTE of Greece, SBC Communications of the US

and Telecom Italia. The deal is expected to be one of the biggest privatisaEurope this year.

minister of communications. Sachs, the US investment said talks would begin in Rucharest in the next few weeks with the aim of selecting a strategic partner by mid-1998.

The Romanian government is seeking to sell a 35 per cent stake in a deal expected to value Rom Telecom at between \$4bn and

It is also planning a subsequent international and domestic share offering and

employees. The government Sorin Pantis, Romania's is being advised by Goldman bank.

> Several of the groups interested in Rom Telecom have already made substantial investments in both fixed-line and mobile telephone services in central and east Europe.

Deutsche Telekom is one of two strategic investors (with Ameritech, of the US) in Matav, the Hungarian telecoms utility, while KPN of the Netherlands and the

investors in SPT Telecom, the Czech operator.

Telecom Italia and OTE last year became the strategic partners of the Serbian telecoms utility, and France Telecom is operating in Romania through its 51 per cent stake in Mobil Rom, one of two GSM mobile telephone companies that

started services last year. A successful sale of Rom Telecom would be a landmark deal for the country's flagging privatisation efforts. The market offers attracstrategic investor would Moldova. have to make a heavy investment to upgrade the network. Telephone penetration is only about 15 lines for every 100 people, and can fall as low as 4 per cent in

Telecoms is one of the most attractive sectors for inward investment in east Europe. The most advanced telecoms privatisation is in Lithuania, where a strategic investor is expected to be selected soon. Other privatisations are planned in

tions in central and east a distribution of shares to Swiss PTT are the foreign tive growth prospects, but a Macedonia, Bulgaria and

These deals will be dwarfed by the initial public offering of a 20 per cent stake in Telekomunikacja Polska, which the Polish government wants to complete by next year and which could value the utility at more than \$10hn.

The Polish transaction, in which the government is being advised by Schroders, the UK investment bank, is expected to almost double the market capitalisation of the Warsaw bourse

## Restructuring brings setback at Africa Israel

the reshaped Israel-based company with substantial interests in property, yesterday reported a fall in net profits due to restructuring in its first year under the control of Lev Leviev, formerly an Antwerp-based diamond dealer.

The results reflected the spin-off last year of its insurance holdings held through Bank Leumi – Africa Israel's former parent – to Generali, the Italian insurance group. Revenues for last year rose

from Shk733.2m Shk764.1m (\$212m) while net income slipped from Shk80.1m to Shk67.5m following the sale by Bank Leumi, which retains a 25 per cent stake in Africa Israel, of the Migdal Insurance group to Generali.

The spin-off led to a big majority stake in the and service facilities.

company in early 1997. He has refocused the Africa Israel Investments, group, buying Gotter, the swimwear company, and expanding into leasing prop erty, both in Israel and further afield in Russia and eastern Europe. He recently acquired for Shk32m a 20 per cent stake in Centreinvest, a Moscow-based brokerage house which also specialise

> Mr Leviev intends to expand the profit base by leasing properties rather than selling - particularly since the sector in largel is in recession. At the same time, he is focusing mor ingly on shopping malls and infrastructure projects which include high-lega industrial parks.

Earlier this year, Africa Israel won the tender to construct the north-south Trans Israel highway which, Mr Leviev said, would allowshake-up in Africa Israel in him set up his own chain of which Mr Leviev acquired a restaurants, petrol stations

## New Sandvik unit faces tough year

Sandvik's mining and unit Sandvik Mining & Contion of its Tamrock and [\$1.3bn]" he said. Sandvik Rock Tools subsidiaries, will have a difficult year because of the Asia crisis and low metal prices, the Swedish engineering group said. Reuters reports from Stockholm.

"The year 1998 will be a hit tough for both Tamrock and Rock Drills," said Clas Ake Hedstrom, head of Sandvik. He said the lower metal prices put Sandvik's oremining clients under pressure, and control of the financial crisis in Asia had come too late to stop the suspension of infrastructure projects in the region.

Mr Hedstrom declined to forecast profits for the new

construction unit, formed struction. "We estimate yesterday by the combinaturnover of about SKr10kn. The creation of the com-

pany was expected to give synergy savings of SKr200m Earlier, Giulio Mazzalupi, head of Swedish rival Atlas

Copco, said 1998 would be a tough year for its construction business because of price pressures following the Asian crisis. Mr Hedstrom said Sandvik's new unit was not plan-

ning any acquisitions in the near "Our main target is to consolidate first and foretion is to lift margins into double digits within a few years." He declined to go into details.

#### Openness aids Credit Suisse Lukas Mühlemann is ending the secrecy, writes William Hall

replaced Klaus Jenny, **V** head of its private banking business, earlier this month, there was puzzlement. Jenny, 55, a Credit Suisse veteran, had been doing the job for just over a year and had exceeded his earnings and growth objectives for 1997.

However, it seems that Mr Jenny could have done better. Lukas Mühlemann, 47, the ex-McKinsey manage ment consultant who took the Credit Suisse helm in January 1997, refuses to discuss the change at the top of his group's second biggest profit contributor. But as last week's Credit Suisse results showed, its private banking business earned less than Swiss Bank Corporation's private bank, even though it had three times as

much capital to play with. Until now Swiss banks have been reluctant to disclose how much capital they use in their businesses. It was part of a pattern of secrecy that helped to ital ratios were substantially explain why Swiss bank lower than those of UBS, the shares underperformed the

stock market for so long. Mr Mühlemann has begun to strip away much of the mystique about Swiss banking by disclosing far more about Credit Suisse than his predecessors. It is now possible to measure the perfor-

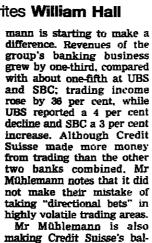
hen Credit Suisse mance of individual businesses against Mr Mühlemann's simple targets, and gauge exposure to problem areas, such as Asia. The new openness seems to be work-

SFr In .	URS	Credit Sulsae
Mariet cap	-98	60
Assets	1,916	<b></b>
Equity	-32	26
Hevenpes	25	21
Reterror on equality (%)	15.7	14.2
Ther i capital (%)	. 85	10.9
Cost/Incomé ratios (%)	70.3	68.1
Staff	55,176	62,412

ing - Credit Suisse's share price has nearly doubled since he took charge.

Mr Mühlemann, transformed Swiss Re in less than two years, did not inherit a particularly strong business. Credit Suisse's capmarket leader. Top management had been weakened by constant reshuffling, and only one of its four core businesses - Credit Suisse First Boston - could be considered close to being a world-class competitor

Nevertheless, Mr Muhle-



ance sheet work harder. Net interest income rose 31 per cent, compared with increases of 4 per cent at UBS and 12 per cent at SBC. Credit Suisse's assets rose only 10 per cent, and the surge in net income reflects its strategy of shifting capital out of low-yielding international corporate lending into higher-margin busi-

CSFB, which now ranks hehind Goldman Sachs and J. P. Morgan in terms of revenues, is the one area of Credit Suisse which is in better shape than the enlarged UBS, following its merger with SBC. It is strong in both the US and Europe, unlike UBS's Warburg Dillon Read, and its return on equity of 17.6 per cent and



per cent are both above Mr Mühlemann's targets. CSFB earned as much as the enlarged Warburg Dillon Read on 11 per cent less revenue, and return on equity is more than one-third higher.

n retail banking, private banking and asset management, however, Credit Suisse's profitability is lower than that of the enlarged UBS. Pre-tax losses in Credit Suisse's domestic Swiss banking business were cut by SFr477m (\$318m) last year, and the aim is for this

staff cost/income ratio of 49.1 side of the business to be management business from 9 earning close to SFr500m or 12 per cent on equity in the and 15 basis points. not-too-distant future.

> In private banking, the target is to lift return on assets under management from 37 basis points to between 40 and 50 basis points, and grow revenues at a doubledigit rate. There is also plenty of room for improvement at Credit Suisse Asset Management, which has 20 per cent more staff and half the funds under management of the enlarged UBS. The target is to increase the return on its SFr264bn fund

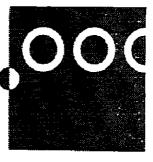
basis points to between 12

Finally, there is Winterthur, the Swiss insurer for which Credit Suisse paid SFr14bn last year. It has done wonders for Credit Suisse's capital ratios, which are now much stronger than those of UBS. But its return on equity of 10.2 per cent is well below the group target of 15 per cent-plus, and many of its 27,565 staff may well be wondering whether they will soon suffer the same fate as the unfortunate Mr Jenny.

custom gauge integrations illon precision tools at work coordinate measuring machine installations in eur pe 165 years of metrology experience worldwide



A single unified organization guaranteeing our hundreds of thousands of customers the most innovative technology, the broadest array of measuring solutions and a powerful global network of service and support.

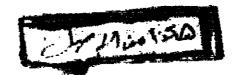


a bold occ brown & sharpe dimension

europe

shaping the future of measurement

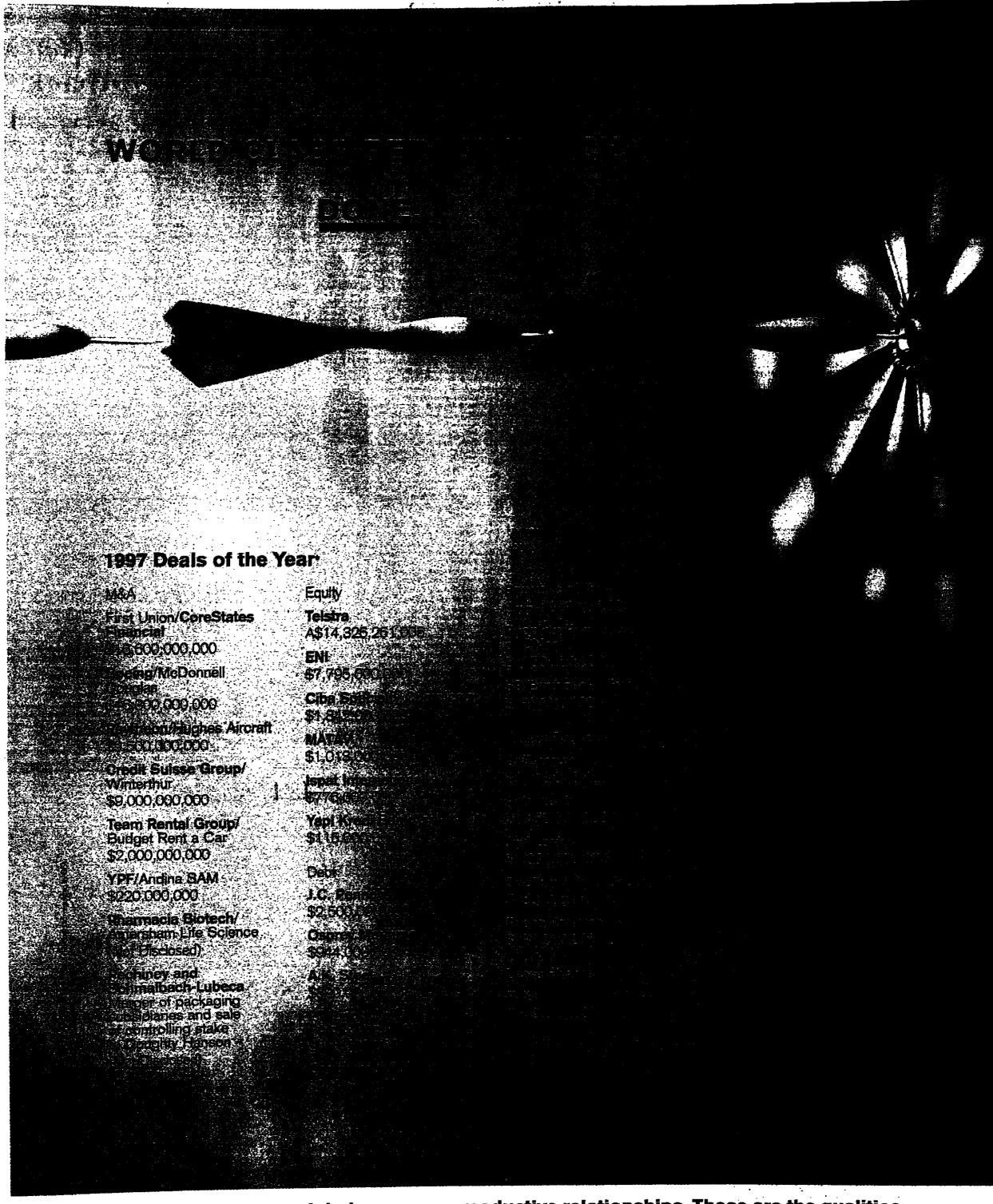
Telephone: (01952) 681300 • Fax: (01952) 681310 • E-mail:bns@uk.bnsmc.com



٥١٤ من الإص

ings setback
Africa Israe

ew Sandviku



Innovative thinking, global resources, productive relationships. These are the qualities that produce results and that clients expect from a leading global investment bank.



**(**)

FIRST BOSTON

THE GREATER THE RESOURCES, THE GREATER THE POSSIBILITIES.

## Ex-minister to bid for Steyr

The battle for control of Stevr-Daimler-Puch, the Austrian vehicle maker, took a new turn yesterday when Hannes Androsch, the former finance minister turned entrepreneur, said he would bid to buy the contested majority stake held by Creditanstalt, the Austrian bank.

Androsch International Consulting, in partnership that they would offer more yield an agreement. Stronach, the Austro-Canadian entrepreneur, and his Magna International car business plan. parts group - although it

By Tracy Corrigan In New York

Occidental Petroleum, the

US-based oil and chemicals

company, plans to join

Equistar Partnership, a joint

venture between Lyondell

Petrochemical and Millen-

nium Chemicals, making the

partnership the world's sec-

will be owned by Lyondell.

and 29.5 per cent each by

of almost \$6bn.

stake in Steyr and the stalt meeting, said it would Magna shares fell sharply. bank's half-share in Steyr not present a firm offer Fahrzeugtechnik, a joint today. venture with Chrysler.

weeks ago, the board postwith Apax, the international than Mr Stronach. In a letter

week period to clarify some

pay \$425m to Occidental and

Dan Smith, chief executive

officer of Lyondell and

Equistar, said the addition of

Occidental's assets would

provide synergies of more

than \$275m in the year 2000.

added opportunity to drive

down even further Equis-

tar's already low-cost struc-

The addition of Occiden-

\$75m to Millennium.

ond largest producer of eth- Mr Smith will remain Equis-

Following closing of the tal's ethylene, propylene,

agreement, expected by mid- ethylene oxide and deriva-

year, 41 per cent of Equistar tives businesses provides an

ylene, with annual revenues tar chief executive.

sory board is due to discuss two US automotive groups be interested in Steyr, will management of Creditanstalt to sell the company to between Mr Androsch and Magna after Mr Androsch Borg Warner about a joint and other groups indicated offer apparently failed to

This would leave Mr over battles seen in Austria. group which had announced tanstalt, but was deemed by table.

Equistar will borrow an ture," said Willim Landuyt, Coast and two storage wells

additional \$500m, and will chairman and chief execu- in South Texas; and \$200m of

demerged UK conglomerate.

transaction, Occidental will

contribute olefins plants in

Corpus Christi and Choco-

ing 3.65bn lbs a year of ethyl-

Bayport, Texas, and its share

tive of Millennium, the related debt.

chemicals company spun off from Hanson, the now-the addition of the Occiden-

Under the terms of the partnership to go into less

late Bayou, Texas and Lake to make products such as

ene; ethylene oxide and ica's largest producer of

derivatives businesses at polyethylene. With the addi-

of an ethylene oxide plant at the world's third largest pro-

Beaumont, Texas: 950 miles ducer of propylene and the

of pipelines in the US Gulf second largest for ethylene.

Charles, Louisiana, produc- detergents and coatings.

Both sides are bidding for plans for a Steyr bid on the some analysts and investors Creditanstalt's 67 per cent eve of the previous Creditan- to be too low, especially after

Mr Androsch, who headed Creditanstalt in the 1980s There was also no sign before he resigned following The Creditanstalt supervi- that Borg Warner and Dana, charges of tax evasion, was the first to criticise the enters the church and halts the Steyr sale today. Two which were both reported to intended sale to Magna. The poned the expected decision have bids ready today. Talks and Bank Austria, the parent bank, came under strong political pressure over its handling of the Steyr sale.

Mr Stronach said last week he had a legally bindinvestment group, said it to Creditanstalt, Mr Androsch and Mr Stronach ing agreement with Crediwould top the Sch3.5bn Androsch asked for another to fight for control of Steyr tanstalt to acquire Steyr and (\$271m) offer by Frank delay and suggested a six- in one of the strangest take- said he would not increase his bid. The bank believes it details in Steyr's books and Mr Stronach's mixed equity- can still cancel the agreecash offer in January was ment with Mr Stronach if a GSM, the German investor quickly accepted by Credi better offer is put on the

tal assets would allow the

cyclical, higher-margin mar-

kets, through ethylene oxide

derivatives which are used

Equistar is North Amer-

tion of Occidental it will be

## Venezuela's unfolding television drama

CGC hopes programming will help it win Latin America's media war, writes Raymond Colina

ust as the bride is to utter the sacred wedding U vow, the groom's wife, who was believed to be dead, the ceremony.

The congregation is incredulous as the cameras zoom in to capture the human drama, and hundreds of thousands of Venezuelans sit on the edge of their seats as they follow yet another episode of their favourite soap opera unfolding on the television screen.

While the region's media moguls race each other to place the latest technologypacked satellite in the sky and extend their fibre-optic cable networks across the continent, much of the battle for market share in Latin America takes place in front of the cameras.

Programming is one of the main elements with which Venezuela's Cisneros Group of Companies (CGC) hopes to win the Latin American media war. Its flagship channel, Venevision, says its programming now reaches 300m viewers in more than 100 countries. It also claims to have the world's mostviewed soap opera, The Revenge, which is also the first to have entered commu-

nist China. "Our programmes [are] readily accepted in other markets because of their lower cost and high ratings delivery," says Carlos Cisneros, chief executive of the Cisneros television group.

the demand of its half-dozen media networks throughout the hemisphere. Venevision has doubled its annual production of soap operas from eight to 16.

privately-held conglomerate. which has annual sales in 72 per cent of group turnentertainment and telecommunications was taken in by 2000. This compares with 1993 by the board of directors, led by brothers Gustavo and Ricardo Cisneros, chairman and vice-chairman respectively.

and industry businesses, Tate & Furst, the Dallas-



such as food, drinks and based private investment Venevision's average product mining. Yet by spinning off fund. The fund, which could try. They later star in some tion cost for a soap opera a number of companies in grow to \$1bn, is to invest in series is about \$6m. To meet recent years, including the media properties in Latin recent years, including the media properties in Latin US sports goods manufacturer Spalding, it assembled a war chest of about \$2bn to television broadcast and programming companies. fuel its media expansion. Once the local partner for Carlos Bardasano, president of Venevision, says media. The decision to focus the entertainment and telecom-

excess of \$3.5bn, on media, over, and are expected to regional media business. schedule its best shows at account for some 80 per cent 45 per cent in 1996. One of the vehicles for Cisneros. An appropriate continued expansion will be partner, he says, adds effi- CGC companies will allow us the \$500m Ibero-American Media Partners investment The group continues to fund, which it formed last incredibly important part of with force and first-rate expand some of its consumer December with Hicks Muse anybody's strategy in Latin programming," says Mr

America, Spain and Portugal with a focus on radio and

consumer product multinationals, the Cisneros Group munications represent about now looks for its own local take you longer and cost you more money," says Carlos ciency and speed to the operation. "Speed is becoming an

faster than any other market in the world."

Yet speed, low costs and high ratings may not be enough to conquer new mankets. In television, each audience prefers a specific mix of programming - the best of foreign soap operas bot also local soccer games - says Leonardo Simpser, analyst with Deutsche Morgan Gran fell in Mexico City. You need to understand extremely subtle differences from one country to another," says Mr Cisnerus."

Maria Marron, media avalyst with ING Barings in New York, says Cisceros has: considerable hands on experience that "transports wellto other markets with some additional local colour. The key is to leverage off your

local knowledge." Recognising the impertance of that, Cisneros either seeks alliances with local partners or grants local investors a minority-state in the venture. In last year's \$110m acquisition of images. Satelital, Argentina's largest cable programmer, it gave management options to buy a 20 per cent stake. ;

urthermore, CGC's media and entertain. ment companies are linked into an integrated production line. Its in-house beauty queen school, for instance, grooms models who win Venezuels more international beauty pageants than any other counoperas or talk shows. The latest soap, starring the former Miss Universe, Alicia Machado, was pre-sold to Spain, the US, and other Latin America countries.

Through its networks in Chile, the Caribbean, and the US, where it owns Univision, the largest Hispanic partners as it becomes a cable network, CGC can "On your own it's going to prime time and sell air time" to advertisers in much larger packages, says Mr Cisneros

"This synergy between in the future to enter the rest of the world market America, which is moving Bardasano.

#### Burns, Philp & Company Limited

Occidental links with Equistar

NOTICE OF A MEETING of the holders of the outstanding U.S. \$100,000,000

51/2% Guaranteed Subordinated Convertible Bonds due 2004

Burns, Philp Treasury (Europe) B.V.

of the holders of the outstanding U.S. \$100,000,000 Conversion Bonds due 2004

Burns, Philp & Company Limited

NOTICE IS HEREBY GIVEN that a Meeting of the holders of the above Bonds (the "Bondholders") convened by the Guarantor will be held at the offices of Linklaters at One Silk Street, London EC2Y 8HQ on 17th April, 1998 at 11 a.m. (London time) for the purpose of considering and, if thought fit, passing the following resolution which will be proposed as an Extraordinary Resolution in accordance with the provisions of the Trust Deed (the "Trust Deed") dated 24th March, 1994 made between the Issuer, Burns, Philp & Company Limited as Guarantor and Bankers Trustee Company Limited (the "Trustee") as trustee for the Bondholders.

#### EXTRAORDINARY RESOLUTION

"That this Meeting of the holders of the outstanding U.S. \$100,000,000 51/% Guaranteed Subordinated Convertible Bonds due 2004 of Burns, Philp Tressury (Europe) B.V. (the "Issuer") and the outstanding U.S. \$100,000,000 Conversion Bonds due 2004 of Burns, Philp & Company rted by the Trust Deed dated 24th March, 1994 (the "Trust Deed") made between the Issuer, the Guarantor and Bankers Trustee Company Limited (the "Trustee") as trustee for the holders of the Bonds (the "Bondholders") hereby approves the reduction in the par value of the Ordinary Shares of Burtus, Philip & Company Limited from A\$0.50 to A\$0.20 per share under Clause 6(K)(6) of the Trust Deed and Condition 7(e)(vi) of the Bond Terms and Conditions."

At an Extraordinary General Meeting of the Guaranton's Shareholders on 26th February, 1998 a recapitalisation proposal for the Guarantor was approved. One aspect of that recapitalisation proposal was the approval of the reduction of the nominal value of the Guarantor's Ordinary Shares from A\$0.50 to A\$0.20. Under the Trust Deed the approved of an Extraordinary Resolution of Bondholders is required before the Company can reduce the nominal value

The Guarantox has prepared an information package (the "Information Package") containing an explanation of the recapitalisation proposal, certain financial information and certain information which was provided to Shareholders for the Shareholders' Meeting referred to above. Copies of the Information Package are available on request from the Guarantor by contacting it as set out below. For a copy of the Information Package contact:

> Burns, Philp & Company Limited c/o Allen Allen & Hemsley c/o Allen Ållen & Hemsley The Chirley Tower, 2 Chifley Square, Sydney NSW 2000 Tel. No.: 61 2 9230 4000 Fax No.: 61 2 9230 5333 Ref: lan Wallace/Mark Wormell

The Guarantor has accordingly convened a Meeting of the Bondholders by the above Notice to request their agreement by an Extraordinary Resolution to the matters contained in such Extraordinary Resolution.

The Guarantor considers that the approval contained in the Extraordinary Resolution set out above is fair and reasonable in the circumstances and, accordingly, the Guarantor strongly urges all Bondholders to vote in favour of the Extraordinary Resolution. The attention of Bondholders is particularly drawn to the quorum required for the Meeting and for an adjourned Meeting which is set out in

paragraph 3 of "Voting and Quorum" below. Copies of the Trust Deed (including the Terms and Conditions of the Bonds) will be available for inspection by Bondholders at the specified offices of the Principal Paying, Transfer and Conversion Agent as set out below.

In accordance with normal practice the Trustee expresses no opinion on the merits of the proposed modifications but has authorised it to be stated that it has no objection to the Extraordinary Resolution being submitted to the Bondholders for their consideration.

#### VOTING AND QUORUM

IMPORTANT: The Bonds are currently in the form of Global Bonds which are held by a Custodian for, and registered in the name of, a nominee IMPORTANT: 1 he Bonds are currently in the form of Global Bonds which are field by a Custodian for, and registered in the name of, a nominee of the Depositary Trust Company ("DTC"). Each person ("beneficial owners") who is the owner of a particular nominal amount of the Bonds, as shown in the records of the participants of DTC ("DTC Participants"), the Euroclear system ("Euroclear") and Cedel Bank, société anonyme ("Cedel") or their respective accountholders, should note that such person will not be a Bondholder for the purposes of this notice and will only be entitled to attend and vote at the Meeting in accordance with the procedures set out below, except that DTC Participants who have been appointed proxies by DTC may attend and vote at the Meeting. On this basis, the only Bondholder for the purposes of this notice will be the registered holder of the Global Bonds which is currently Cede & Co., as nominee for DTC. Accordingly, beneficial owners will not be able to attend the Meeting and should convey their voting instructions, directly or through their respective accountholders, to DTC, Euroclear and Cedel in accordance with the ruling procedures of DTC, Euroclear and Cedel and such accountholders or arrange by the same means to be

appointed a sur-proxy.

If DTC participants its proxies, the DTC Participants will be entitled to attend and vote at the Meeting. In the alternative, the DTC Participants may appoint the Principal Paying Agent or any employee of it nominated by it, not later than 24 hours before the time fixed for the Meeting, as sub-proxy to attend and vote at the Meeting on their behalf, DTC Participants should direct any questions regarding appointing proxies or the voting procedures to the Principal Paying, Transfer and Conversion Agent indicated below.

Holders of record of the Bonds at close of business New York City time on 10th April, 1998 (the "Record Date") will be entitled to vote on the Extraordinary Resolution and shall remain so entitled notwithstanding any transfer of such holders Bonds after the Record Date, Transferees of the Bonds after the Record Date will not be entitled to vote on the Extraordinary Resolution.

 A DTC Participant not wishing to attend and vote at the Meeting in person may give a voting instruction form and a beneficial owner may arrange for the DTC Participant through whom he holds his Bonds to give a voting instruction form instructing the Principal Paying, Transfer and Conversion Agent to appoint a proxy to attend and vote at the Meeting in accordance with his instructions. Voting instructions must be given to the Principal Paying, Transfer and Conversion Agent not later than 48 hours before the time fixed for the Meeting and may not be revoked during that period

The quorum required at the Meeting is two or more persons present in person holding Bonds or being proxies and holding or representing in the aggregate at least 50 per cent. in principal amount of the Bonds for the time being outstanding (as defined in the Trust Deed). If within 15 minutes from the time fixed for the Meeting a quorum is not present the Meeting shall stand adjourned for such period, not being less than 14 days nor more than 42 days, and to such time and place, as may be appointed by the Chairman of the Meeting. At such adjourned Meeting the quorum shall be two or more persons present in person holding Bonds being proxies whatever the principal amount of the

Every question submitted to the Meeting will be decided on a show of hands unless a poll is duly demanded by the Chairman of the Meeting or by one or more persons holding one or more Bonds or being proxies and holding or representing in the aggregate not less than 2 per cent. in principal amount of the Bonds for the time being custanding. On a show of hands every person who is present in person and produces a Bond or is a proxy shall have one vote. On a poll every person who is so present shall have one vote in respect of each U.S. \$5,000 principal amount of Bonds so produced or represented or in respect of which he is a proxy.

To be passed, the Extraordinary Resolution requires a majority in favour consisting of not less than three-quarters of the votes cast. If passed, the Extraordinary Resolution will be binding on all the Bondholders, whether or not present at such Meeting and whether or Principal Paying, Transfer and Conversion Agent

Bankers Trust Company 1 Appold Street, Broadgare **Bankers** Trust Company, London

Paying, Transfer and Conversion Agent Bankers Trust Company Bankers Trust Luxembourg S.A. 14 Boulevard F.D. Roosevelt Four Albany Street New York, New York 10006

L-2450 Luxembourg Principal Paying Agent This approximement appears as a matter of record only

\$1,000,000,000

## Charterhouse Equity Partners III, L.P.

A limited painership formed to make private equity investments. in buyouts, buildups, recapitalizations and companies requiring capital for business expansion.

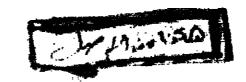


Charterhouse Group International, Inc.

The undersigned acted as financial advisor and arranged the private placement of limited partnership interests.

Merrill Lynch & Co.

February 1998





## Three bidders short-listed in CIC sell-off

By Andrew Jack in Paris

television de

CIC, the French statecontrolled regional banking group, is set to be valued at more than FFri8bn (\$2.9bn) as a result of bids above expectations for its privatisa-

Yesterday, Banque Nationale de Paris (BNP) and Crédit Commercial de France, two of the five bidders for CIC, were rejected by the state privatisation commission overseeing the sale of 67 per cent of the capital.

The decision, believed to have been made solely on the basis of price, clears the way for three finalists to examine confidential CIC financial information in a "data room" to be open tomorrow and on Thursday.

ABN Amro, Société Générale and Crédit Mutuel will all have the chance to increase their own bids after examining the data, and ahead of a deadline for revised tenders on April 3.

The two rejected candidates were informed over the weekend, and BNP yesterday made public the fact that its offer valued 100 per cent of CIC at more than FFr16bn. stressed that the second Those that remain in the running are believed to have offered considerably more.

BNP was the only candidate retained by the privatisation commission in a pre-

late 1996, at which stage it made a bid of FFr10bn. The process was subsequently abandoned.

The rejection of the BNP bid represents a severe blow for the bank's management, which has failed to realise a number of its recent planned objectives, including the previous CIC bid and a proposed merger with the insurer UAP and the financial and industrial holding company Suez in 1995.

However, Jean-Laurent Bonnafé, BNP director of strategy, said the bank was only willing to acquire the additional French market share that the CIC acquisition would have "if the price was reasonable".

Charles de Croisset, chairman of CCF, which is believed to have bid a little above FFr15bn, also expressed his "disappointment" at the rejection.

The bank's executives are believed to have been frustrated that the decision was based only on price and did not take into account their proposals to respect the sioner, issued a statement regional identity of the bank.

The French government stage - which should lead to a decision on the winning candidate by mid April would take into account social and strategic elements

#### **NEWS DIGEST**

#### **ITALIAN BANKING**

#### San Paolo net profits slide 72% to L168bn

Istituto Bancario San Paolo di Torino, Italy's largest commercial bank planning to merge with IMI, the Rome banking group, yesterday said net group profits last year plunged 72 per cent to L168bn (\$93m) from L603bn in 1996.

The sharp fall reflects write-downs and provisions totalling L2,300bn largely on property loans and assets which the bank disclosed last month. These measures led to a decline in parent company profits to L53bn in 1997 from L517bn in 1996. Group profits were depressed by a 57.3 per cent fall in earn-

see-from-financial market operations to L431bn last year after the exceptionally high level of the previous year, San Paolo said. The bank reported that interest margins had improved in the irst two months of this v so announced the I

of its reserves of a dividend of L110, sharply lower than the previous year's L280. Paul Betts, Milan

#### STEEL

#### Usinor buys out Lutrix

Usinor, the French steelmaker, is reinforcing its presence in Italy by acquiring from the Lucchini group the 51 per cent of Lutrix it does not already own. Lutrix holds nearly all the capital of La Magona d'Italia, an important participant in the transformation of flat carbon steel products in Italy with annual turnover of about

The acquisition is for an undisclosed sum believed to be in the region of \$100m.

The French company said the move was part of a strategy of strengthening its downstream operations. Upon completion of the transaction, it said its subsidiary Sollac would represent with its partner Magneto an annual potential for transformation, finishing and distribution of more than 2m tonnes of flat carbon steels in

Sollac already owns Alessio Tubi, a small welded tubes company, and Franchini, a steel service centre. David Owen, Paris

#### INVESTMENT BANKING

#### **DLJ** hires UBS veteran

Donaldson, Lufkin & Jenrette, the US investment bank indirectly controlled by the French insurer Axa, has hired Hector Sants from UBS to be global head of international equities, a new London-

Mr Sants, veteran head of equities in London for Union Bank of Switzerland and its UK stockbroker Phillips & Drew, had been named co-head of European equities for Warburg Dillon Read, the investment banking subsidiary of the merged UBS and Swiss Bank Corporation. His appointment is the first by DLJ in its effort to build a London-based equitles operation. Clay Harris

#### FOOTBALL CLUB FLOTATION

#### Stellican in writ against Enic

The two UK investment companies that took over Vicenza last year have fallen out and the Italian football club has dropped its

immediate plans to float. Stellican, a London-based investment company that led the takeover in July, has issued a writ against Enic, the investment trust whose biggest investor is the Bahamas-based British billion-

aire Joe Lewis. Stellican said Enic decided against the move to the market after shareholders had agreed to the flotation and the board had approved the prospectus and appointed Rothschild as the global co-ordinator. Paolo Scaroni, chief executive of Pilkington, the UK glassmaker, had become president of the club with the aim of helping bring it to the market. Stellican bought Vicenza from a

benkruptcy court for £8m (\$13.3m) in June. Enic denies having committed itself to a flotation. Simon Kuper

#### PETROCHEMICALS

#### **Unipetrol falls to Kc1.36bn**

Unipetrol, the Czech petrochemicals company stated for privatisation, yesterday announced unaudited net profits of Kc1.36bn (\$40m), down from an estimated Kc1.59bn in 1996. The company also forecast that 1998 pre-tax profits would fall from Kc4.04bn to Kc3.7bn.

The company, which consolidated the Kaucuk and Chemopetrol subsidiaries during the year and added them for comparison into its 1996's figures, estimates that turnover rose from Kc71.Sbn to Kc77.8bn. Robert Anderson, Prague

## Sense of déjà vu grips Crédit Lyonnais

Dispute over state aid to the French bank has flared up again, writes Andrew Jack

state-backed vehicle which is

tions which could jeopardise the bank's future. The situa-tion is complicated by the

apparent personal antago-

nism between Mr Van Miert

and Jean Peyrelevade, Crédit

Ironically, the neutralisa-

not at the centre of the dis-

Lyonnais chairman

rates on this loan.

f history has a habit of shortly after the results were repeating itself, it does so published arguing that the in rapid cycles at Crédit figures were "illegal". Lyonnais, the French stateowned bank still struggling to shrug off the shackles of heavy losses incurred in the

In autumn 1994, the bank's first-half results were delayed as last-minute disagreements stalled the approval of a governmentbacked rescue plan. Three and a helf years later, the feuding continues and a final plan is still not yet

early 1990s.

Last Thursday, Crédit Lyonnais went ahead with the publication of its 1997 results, which showed a steady increase in its underlying performance, strong productivity improvements. comfortable provisions for the Asian crisis and net income of FFr1.1bn (\$179m). But one hoped-for element was missing confirmation that the existing, burdensome state rescue plan had

The bank's detailed figures were entirely overshadowed by the continued tensions over modifications to the plan. Karel Van Miert, the EU competition commis-

been restructured.

that it will be scrapped. Two principal questions appear to be outstanding: the level of a The reason for the tennew cap on state aid, and the sions is that a new version of the rescue plan has not asset sales to be demanded

been formally agreed by in exchange. Brussels, yet Crédit Lyon-The original plan was capped by the commission at nais' results already anticipated the changes it would FFr45bn. An emergency supplementary FFr4bn was make - with the most notable effect being to cut granted last year. But esti-FFr3bn off its costs last year. mates for the ultimate cost The figure represents the to the French taxpayer now range from FFr90bn to FFr190bn - and it seems charges to the bank of financing a FFr123bn loan it was unlikely that Mr Van Miert forced to make to CDR, the

can prevent further state selling assets removed from the bank's balance sheet as part of the original plan. is demand for new asset Crédit Lyonnais receives sales conditions is also problematic. The 1995 interest at below-market plan already stipulated that The French government is 35 per cent of Crédit Lyonaccused of dragging its feet nais' European "commercial over its proposals for a presence" outside France revised plan. It suggests that should be cut by the end of Brussels is demanding condi-1998. The figure was

> Mr Peyrelevade argues that Crédit Lyonnais is "halfway" towards meeting the higher objective and "optimistic" about exceeding

increased to 50 per cent in a

secret letter sent by the then

minister of finance.

tion of this penalising loan is it by the end of this year. Officials in Brussels pute over changes to the express scepticism. The

plan. It seems all but certain bank's remaining subsidiarles, including Belgium and BfG in Germany, are on their hit list. They are also arithmetically necessary, to meet the requirements of the

1995 plan. Mr Van Miert has also called for a swift, transparent privatisation. Yet the existing plan already set a sels' powers to intervene in the way the sell-off is structured are limited.

The commissioner wants a one-step sale. The bank's executives prefer a two-stage process, with an initial recapitalisation this autumn provided in exchange for the entry of three or four "friendly" investors ahead of a full sell-off in the subsequent months.

French officials hope a revised plan will be agreed within the next few weeks. In the meantime, Mr Peyrelevade has made efforts to calm the recent rapid rise in the bank's non-voting "certificats d'investissement' ahead, of a sale.

He warned last week that the current price did not appear to reflect the continuing financial penalties imposed on Crédit Lyonnais next two years that should under the existing plan such



Jean Peyrelevade: bank "halfway" to meeting asset sales target

as a "special dividend" amounting to FFr850m last year - paid to the French overnment, let alone their

lack of voting rights. But he also argued that the bank was currently worth between FFr25bn and neglected in the subsequent FFr35bn, and within the

cant way".
With the new plan resolved, future investors will again begin to concentrate on the strongly improved underlying figures released last week and

RWE Performance Profiles

## Looks like an interesting family.



RWE has been using its financial resources and expertise to build a first class portfolio of subsidiaries that promises continued solid performance in the future.

Our family of companies is well worth looking at. It includes such well known names as Heidelberg, a market leader in high-tech printing systems, HOCHTIEF, a major international force in airport construction and management, and CONDEA, which ranks among the foremost producers of base chemicals for detergents and cosmetics worldwide. As Europe's largest private energy company, RWE Energie is already well positioned for the newly liberalized energy market. But that's only part of our corporate story.

Carefully shaping our portfolio, we are focusing on companies that are among the leaders in their respective fields. We are also investing in future-oriented technologies such as telecommunications, another area in which RWE stands to benefit from European liberalization. Our portfolio is solid and dynamic.

Portfolio optimization is only one way in which we are enhancing RWE's attractiveness to investors. The restructuring of our shareholder base is another. This increases RWE's appeal in international financial markets. Take a closer look at our family.

RWE AG, Opernplatz 1, D-45128 Essen Fax: +49 2 01/12-1 53 61 Internet: http://www.rwe.de

RWE Energie, Rheinbraun, RWE-DEA, RWE Entsorgung, LAHMEYER, RWE Telliance, HOCHTIEF The Group That Knows How.

ch & Co.

ny Birmers III. Li

AND THE PROPERTY OF STREET

a International, Inc.

**NEWS DIGEST** 

Rothschild to advise Halla

December, said yesterday said it had appointed Rothschild.

the US investment bank, to help it restructure its soon in

debt. Hasila said Rothschild would belp it develop flathers

and business plans and to place \$1bn of bridge finance.

ery. Korea's largest car parts company, to foreign inves-

Lucas Varity of the UK and Valeo of France. it is negotia-

ting with overseas investors for stakes in its shipbuilding

The collapse of Halla, Korea's 12th largest conglomen was caused by large investments in building a new ship-

Halla has already sold its 50 per cent stake in its car parts joint venture, Kamco, to Bosch of Germany for \$23m and a California hotel to Sunstone for \$16.5m. It is negotia-

ting with Bowater to sell a stake in its pulp and paper operations for \$200m, while offering a hotel in South Kores

tors, including GM Delphi and Delco Remy of the US,

Halla is expected to sell the facilities of Mando Machin

on debt restructuring

South Korea's Halla Group, which went bankrupt in

INSURANCE AUSTRALIAN GROUP TELLS REGULATOR EXISTING RULES WILL LEAVE IT AT DISADVANTAGE AFTER LISTING

## asks permission to hold own shares

ance group, is seeking per-

before the Australian Securi- obstacle for AMP's considertaged in what will be one of public offers, according to A\$15bn (US\$10bn), AMP will as the majority of the lators have been moving to ing listing, not least through

commission officials.

The country's corporations

ties Commission that it able fund management and would be seriously disadvan- financial services business. With a market value that Australia's largest initial analysts estimate at about shares will outstrip supply.

listed companies when it likely to hang on to their but are unlikely to ease increase its weighting in the AMP, Australia's largest law currently probibits com- floats, accounting for about 3 stock. That may leave as restrictions to the extent sector with the purchase of fund management and insur- panies from investing or per cent of the benchmark dealing in their own shares. All Ordinaries index and AMP available for institumission to hold its own Regulations also prevent boosting the insurance sectional and retail investors. shares after its planned June companies from providing tor to about 5.5 per cent of listing on the Australian financial assistance related to the index. AMP has told regto the acquisition of their ulators it would be disadvanpolicyholders voted last The group has argued own shares - a further taged against rival fund managers if it cannot hold AMP shares in its portfolio.

November to allow conversion into a shareholder-

Analysts have already predicted that demand for AMP due next month.

little as 12 per cent or less of requested by AMP, analysis stocks in rivals such as Other large investors, and Colonial.

AMP demutualised earlier including fund managers and institutions, fear that if AMP were allowed to trade its own shares, it would worsen the shortfall of stock of the banking and insurowned entity. A prospectus and add to their difficulties for the initial public offer is in gaining allocations.

Insurance stocks have ben-Australia's securities regu- efited from AMP's impend-

be one of Australia's largest group's policyholders are simplify corporations law. AMP's recent moves to National Mutual Holdings

> In a further step to position itself for listing, AMP has been lobbying the securities commission for a merger ance indices. The banking index has grown in the past year and now represents about one-fifth of the All Ordinaries index.

#### to Panacom of the US for \$23m. John Burton, Seoul

ENTERTAINMENT

and cement businesses.

SOUTH KOREA

#### Sony Music 'to rise 21%'

Sony Music Entertainment expects to post a profit of about Y13.8bn (\$106m) in the current year, up 21 per cent from one year ago, according to the Nihon Keizai Shimbun bush

The company's earnings were buoyed by better than expected sales of compact discs featuring the soundtrack for the movie Titazic. Parent sales are expected to rise 11 per cent to about Y114bn Reuters, Tokyo

#### **PHARMACEUTICALS**

#### **Green Cross cuts forecast**

Green Cross, the Japanese pharmaceutical company has cut its sales forecast for the year to end March to Y11344 (\$87m), from a previous forecast of Y114bn. This compares with sales the previous year of Y112.7bn. The company said it forecast a group net loss of Y2.6bn, compared with a loss of Y9.4bn last year, after extraordinary gains of Y1.4bn from the sale of its plant.

The company will boost reserves for future lesses for compensation for about 200 HIV patients in connection with possible lawsuits arising from its involvement in selfing HIV-tainted blood products. The company is being replaced in the Nikkei 500 index by Tsubakimoto Chain. AP-DJ, Tokyo

#### FINANCIAL SERVICES

#### Daiwa, DLJ to co-operate

FAWH, V

MOET HENNESSY, YOURS VUILTON

THE WORLD WANTE THE ELECTION GOODS

Sustained Growth

in 1997. Hesints

despite Asian Orisis

Daiwa Securities of Japan and Donaldson Lufkin & Jenrette of the US have agreed to co-operate on offering investment opportunities in the US to Japanese individual investors in Japan.

The two hope to launch the service as early as next month. Individual investors will open an account at a Daiwa subsidiary in the US where their money will be invested in trust funds, shares, bonds and other instruments. The partners are considering turning such accounts into "wrap accounts", permitting investors to carry out a range of banking and securities transactions from a account. AP-DJ, Tokyo

## Japanese life groups mull property return

By Gillian Tett in Tokyo

Several of Japan's largest life assurance companies are considering investing in the country's property industry for the first time since the sector crashed.

Nippon Life, the largest life assurance company, said it was hoping to invest Y370bn (\$2.8bn) in new property projects during the next 10 years, while Meiji Mutual, the fourth largest life assurer, said it was planning to invest about Y50bn a year over the next few years in

property. Sumitomo Life and Asahi Mutual, two other large life assurance groups, confirmed they were considering prop-

ally refrained from investing in property in recent years because of the weakness of the market, but the investments would provide a welcome boost to the property sector, which has been in a slump since the collapse of the 1980s asset bubble.

Property prices have been leaving prices in Tokyo some 70 per cent lower than their peak during the bubble.

More data on recent price trends are due to be published tomorrow. This is expected to show that the price falls have continued, albeit at a slower pace.

However, in recent months investors have begun to tomed out, and some life

ticular have started to con- Life said yesterday. "But president of Mori Building. sider property investments with the fall in land prices one of Japan's largest prop-"After the bubble economy

estate investments have said he did not expect a hope the market has bot- years we had basically become higher than other rapid flood of interest among refrained from new realinvestment schemes."

the expected yields on real- erty companies, yesterday Japanese or foreign inves-

"I think that Meiji and Nippon Life are exceptions to the rule, because we see that Japanese corporations have been finding it hard to make any new investments,

## Sector seen as ripe for foreign participation

By Christopher Adams nsurance Correspondent

Foreign participation in Japan's life assurance sector is likely to accelerate as a tai Life and Daihyaku result of Asia's financial cri- Mutual Life could benefit rates, the gap between sis, according to industry from linking with a strong analysts, who say several of overseas insurer. the country's mutually owned insurers may seek Japan's life assurers have formal ties with more strongly capitalised foreign

several potential acquisition to policyholders. targets in the sector. While the bigger, better-capitalised

moil, others may be vulnerable. In addition to Toho, analysts say, Chiyoda Mutual Life, Kyoei Life, Nippon Dan-

The problems facing multiplied, as the diminishing value of investment portfolios has made it difficult to Analysts have identified meet payments guaranteed

According to Moody's, the US ratings agency, a

against the economic tur- domestic interest rates Nissan Mutual was allowed means the aggregate crediting rate on the industry's liabilities exceeds the yield on its assets. As the rate of growth across Asia deteriostrong and weak companies is likely to widen further, it

to collapse last April. Analysis by Jardine Fleming shows that several com-

Many insurers' high exposure to non-performing commercial property and loans drop in the index. This Meanwhile, expectations on many life assurers, many that the Japanese govern- of which have a higher Nikment might prevent the failure of any life assurer have

to maintain guaranteed returns on life policies if the Nikkei continues to trade below 17,000. Although the collapse of a big life assurer is unlikely, such an event

could trigger another sharp kei break-even level than leading banks.

mium income was \$637bn in 1995, of which life assurance accounted for 82 per cent. panies might find it difficult Domestic insurers have benefited in the past from a restrictive licensing regime that kept out competition but recent moves to liberalise the market have aroused foreign interest.

said last week it was considwill also damp earnings. would exert severe pressure ering acquisitions. GE Capital, the financial services arm of the US General Electric group, is setting up a may be the preferred option companies are well shielded protracted period of low so far proved unrealistic: Japan is the world's larg. Mutual, a deal that gives partners,

of income and GE Capital a distribution base. On Friday, Germany's Dresdner Bank and Hong-Kong based Jardine Fleming announced their own plans for joint ventures in fund manage ment and broking.

Any restructuring is likely to be complex and time-con-Axa, the French insurer, suming Japan's life assurers will probably be reluctant to relinquish full control to foreign investors, and joint ventures or shared ownership

1997

NET SALES

**RF 48** 

INCOME FROM

**OPERATIONS** 

+19%

NET INCOME

FROM CURREN

## Japan's medium brokers warn of losses

Japan's medium-size brokers have warned they will report pre-tax losses of at least Y44bn (\$337m) in the 1997 fiscal year.

The losses reflect the recent weakness of Japan's stock market and growing competition among the brokers, the companies said.

This highlights the intense business pressures now operating on the brokerage sector ahead of the country's planned "Big Bang" deregulation.

The pressures are likely to increase from next week, because Japan will on April 1 liberalise fixed brokerage commissions on trades worth more than Y50m.

The liberalisation of commissions is regarded as one of the main reforms of the Big Bang programme, since it will inject a new burst of competition into the brokerage sector.

However, it is likely to hurt the earnings of the medium-size brokers, since these companies depend on commissions for their

revenues Analysts are currently forecasting that liberalisation could reduce commissions by between 30 per cent

and 50 per cent. This, in turn, has fuelled expectations that the sector could soon see consolidation. as weaker companies are forced to merge or close.

Over the last year a num-

ber of smaller brokers have already merged. Sanyo Securities, Japan's seventh largest broker, and Yamaichi Securities, the country's fourth largest, collapsed last November.

Several of Japan's 10 so-called "second tier" brokers have posted losses in recent years. However, in recent days many companies have warned that they will also post larger-than-expected losses in the 1997 fiscal

New Japan expects to post a pre-tax loss of Y5bn, while Okasan expects a pre-tax loss of Y4bn and Yamatane a pre-tax loss of Y3bn, Kankaku is forecasting a loss of Y16.4bn, Wako Y7bn, Cosmo Y2.5bn and Dai-Ichi Y5.5bn.

The three other secondtier brokers have not yet revealed their forecasts. However, four small brokers - Taiheiyo, National, Mito and Toyo - yesterday also

said they would post a loss

in fiscal 1997. Only Marusan Securities said it would post a profit. The brokers blame the poor results in part on the fall in the stock market over the last year.

However, the results also reflect a recent fall in customer numbers.

In particular, the collapse of Yamaichi and Sanyo left some Japanese investors deserting second-tier brokers because of fears about their financial strength.

groups have been winning market share from Japanese brokers.

A separate sign of this emerged in a survey by Japan's Nikkei newspaper, which showed that foreign brokers were now considered to have better research skills than most Japanese groups.

The survey, which was conducted earlier this year and covered 744 Japanese and 161 western fund managers, showed Nomura Securities was considered to have

the best research skills. The next best were the US houses Merrill Lynch, Morgan Stanley, Goldman Sachs and Salomon Brothers.

#### Overall, foreign brokers took seven of the top 10 In addition to this, foreign positions.

## heng succeeds Au at Hang Seng Bank

Kong subsidiary of HSBC Holdings, yesterday announced the appointment of Vincent Cheng, executive director of Hongkong Bank, as acting chief executive and vice-chairman following last week's resignation of Alexander Au.

Mr Au's move to Standard seen as a blow to Hang Seng, plans to change strategy. leaving the bank without an obvious successor.

Mr Cheng's appointment Seng Bank has performed was interpreted by banking very well and I will work Hang Seng Bank, the Hong analysts as a temporary measure. It follows last year's appointment of David Eldon, chief executive of Hongkong Bank, as chair-

man of Hang Seng Bank. The appointments have been viewed as a move by Hongkong Bank to take closer control of Hang Seng, its 62 per cent-owned subsid-Chartered, one of HSBC's iary. But Mr Cheng said yesmain rivals in Asia, was terday that there were no "There will be no major

very well and I will work with the management to continue its growth." Mr Cheng emphasised his

appointment did not signal the bank's operations would be folded into those of its since 1994. While appointed as acting

chief executive, Mr Cheng, said there was no set timetable to determine the regard him as the best candiplans," said the banking ana- of last year's transfer of lyst at one European invest- sovereignty. ment bank.

Mr Cheng. 49, is already familiar with Hang Seng Bank, having held the position of managing director

Apart from his banking appointments, Mr Cheng has held prominent political posts in Hong Kong.

Between 1995 and 1997 he long-term arrangements at sat on the Executive Counthe bank. "I think they cil, the territory's highest policy-making body. He was date while they think about also a Hong Kong affairs changes," he said. "Hang how to proceed with future adviser to Beijing ahead

Mr Cheng is a director of

Great Eaglé, a prominent Hong Kong property developer, and the Kowloon Canton Railway Corporation.

its calculations for general Asian financial crisis, from which it has so far emerged relatively

## An Feng awards A\$1.4bn mill contract

By Gwen Robinson in Sydney

one of Australia's largest plant at Geraldton, Western Australia,

An Feng said the consortium would supply plant and equipment and arrange finance for the steel mill from a syndicate of German

Preliminary work on the site has already started fol-An Feng Kingstream Steel, lowing environmental approval from the federal steel companies, has chosen and WA state governments, a consortium led by Mannes- said Nik Zuks, An Feng mann Demag of Germany, to managing director of Austradevelop its A\$1.4bn lian operations. Construc-(US\$930m) iron and steel tion was expected to begin in the September quarter.

"The project is competitive on a worldwide basis in terms of capital and operating costs, such that it sits well within the lowest quartile cash production cost," Mr Zuks said.

An Feng recently signed the project with Apache Energy Australia and a gas transportation deal with group that paid A\$2.4bn this month for the state's Dampier-to-Bunbury natural gas pipeline. The 1,530km pipeline, which was built by the state government in 1984 to transport natural gas from WA's offshore and onshore fields, has been described as "Australia's premier energy

arrangement on iron ore mining and transport with Leighton Holdings, shortly Epic Energy, a US-controlled after the state government approved the construction of a deepwater port at nearby Oakajee. The state has called for submissions by July on omy A\$2.7bn worth of investproposals to develop and operate it.

An Feng recently The timeframe for the 15-year gas supply deal for announced an exclusive steel mill projects had increased confidence that An Feng would meet its production deadline of end-2000, Mr Zuks added. "It's a big step forward for a project of this nature to be able to deliver to the econ-

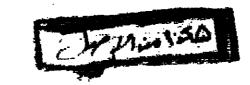
ment capital." he said.

The consortium led by An Feng said it had also Mannesmann also includes reached agreements with Ferrostaal, a subsidiary of TransAlta Energy and ABB the engineering group MAN. to develop a 470MW power and Svedala Industries of station to supply the project. Sweden.

Hang Seng Bank last month said it had doubled provisions because of the

Net profits at the bank last year rose 10.3 per cent to

## **OPERATIONS** before goodwil NET INCOME <sub>RF</sub> 4,528 PROPOSED DIVIDEND PER SHARE



Child to advise Hall bt restructuring

Mes a to rise 210;

COMPANIES & FINANCE: THE AMERICAS

PHOTOGRAPHIC PRODUCTS US GROUP RAISES STAKES IN BATTLE WITH FUJI OF JAPAN

## Kodak reveals \$1bn China investment

Eastman Kodak yesterday disclosed plans to spend \$1bn in China in an aggressive attempt by the US photographic products company to shake off its slumping domestic market share by ploughing investment into faster-growing countries

The investment plan is the most ambitious step announced by George Fisher, Kodak chairman, since the company ran into difficulties a year ago. What began with a downturn in revenues from emerging markets, including China, turned into a rapid slide in Kodak's share of the US colour film market, which now stands at around 65 per cent. Mr Fisher has said, an important battleground

By Richard Waters in New York be deflected from its longer- its Japanese arch-rival, for (China) and 70 per cent in term investment plans, particularly in digital photography, while it pushes through a broad restructuring and sought to patch up its bottom line. The Chinese investment,

to be made over the next three to five years, represents a large slice of a capital spending budget put by Mr Fisher at between \$1bn and \$1.5bn a year. The main intention is to boost Kodak's presence in China, though extra capacity for making film and photographic paper may also turn China into "a regional source of product". he added. Besides in the US. Kodak makes film and paper in Australia. Canada. Mexico, France and the UK.

is open to us." Under the plan announced yesterday, Kodak said it had China has already become taken controlling stakes in two newly formed companies though, that Kodak will not in Kodak's battle with Fuji, - 80 per cent in Kodak mance a year ago.

have doubled its market

share there in the past three

years, to a position where it

is running neck-and-neck

from Kodak's 17th biggest

market to a position where,

this year, it will be second

behind only the US, with

sales of more than \$200m. Mr

Fisher said. In a reference to

Kodak's long-running battle

to have Fuji's domestic mar-

ket opened to greater inter-

national competition, he

added: "The Chinese market,

unlike the Japanese market,

That has turned China

with Fuii.

worldwide market share. Kodak (Wuxi). These compa-The US company claims to nies will assume the operations of three existing Chinese manufacturers. Kodak said it would then invest more in the coming years to improve the compames' technology, add to their capacity and expand their distribution and marketing.

While he acknowledged

that difficult economic conditions in China might disrupt the steadily soaring demand for colour film temporarily, Mr Fisher said the investment plan was based on a long-term belief in the Chinese market. China had involved "stops and starts as far as revenue generation goes", said Mr Fisher. That included a slowdown in sales that contributed to Kodak's weak first-quarter perfor



George Fisher: 'Chinese market is open to us' Picture AP

## Arch secures Arco coal assets

By Nikki Tait in Chicago

Atlantic Richfield, the US energy group, said yesterday that "various issues" had derailed the sale of its coal assets to the privately-owned Beacon Group and led it to strike a \$1.14bn deal with Arch Coal instead.

Earlier this month, Arco announced it was entering into exclusive negotiations with Beacon, but said vesterday that the two-week period had expired with Beacon saying it was not interested in the terms which the two sides had been able to nego-

Arco declined to elaborate, on the problem issues, but ming, and the West Elk mine price is thought to have been

By Scott Morrison in Toronto

CanWest Global Commun-

ications, the Canadian

broadcaster, has launched a

C\$650m (US\$458m) takeover

bid for Western Interna-

out to two CanWest rivals.

per cent of the company.

shareholder agreed to sell ing shares.

The business will be sold to Arch, the quoted St Louisbased coal producer.

This will make Arch the second largest coal company in the US after Peabody Coal, which is owned by the UK's Energy Group.

Arch's annual sales of coal will be close to 110m tonnes. or about 10 per cent of the total US coal supply. Annual revenues will be

about \$2bn.

The assets being sold by Arco include the Black Thunder mine, the largest single coal mine in the US, with annual production of 37.7m tonnes last year; the Coal Creek mine in Wyo-

in Colorado. The deal also includes

WIC's controlling Griffiths

family of Vancouver left

CanWest with a block of

non-voting shares while two

smaller rivals, the Allard

family and Shaw Communi-

owns 35 per cent of WIC, trol an ever-larger segment being tendered.

tional Communications, a cations, assumed control of

week after WIC's controlling WIC's limited number of vot-

said it would pay C\$39 a of the country's airwaves.

Arco's 65 per cent interest in Canyon Fuel Company, a joint venture with Japan's tralian coal business, which Itochu, which owns three mines in Utah. The Arco coal division

made a profit of \$51m last year, on sales of \$537m, and has estimated reserves of 1.3bn tonnes. As part of the deal, Arco's

Wyoming operations will be combined with those already held by Arch into a joint seen the business venture to be called Arch Western Resources. Arch will own 99 per cent,

with Arco retaining a I per cent interest. Arco said that the sale, which has been pending since last year, would not

profits in 1998.

have a material impact on

The sale last week by deregulation by federal authorities for the right to

authorities has prompted

broadcasters to encroach on

CanWest's C\$39 a share

offer was the same as Shaw

paid last week. It was not

immediately clear how

shareholders would respond.

but CanWest said its bid was

each others' turf.

regional concessions, but yesterday it would appeal to Northern Ireland.

Canadian broadcasters not conditional upon a mini-

CanWest, which already have been jockeying to con- mum number of shares ada's third largest TV net-

share for the remaining 65 They were once limited to takeover bid. CanWest said Australia, New Zealand and

includes joint venture interests in the Curragh, Gordonstone and Blair Athol coalmines in Queensland, as part of a full withdrawal from the coalmining business. The Arco disposal is the latest in a series of transactions in the US coalmining sector, which has

consolidate and has led to the emergence of new groups such as Beacon. Much of this the shake-up

has been attributed to the deregulation of the electricity sector, and the gradual move away from long-term supply contracts in the

convert its non-voting shares

into voting shares. Last

week's deal had been

referred to as one of histo-

ry's "great rip-offs of minor-

stations and a dozen radio

broadcasters across the

work and controls television

country. Canwest owns Can

WIC owns nine television

ity shareholders".

In a move parallel to the and radio broadcasters in

tonnes to more than 2.3m tonnes a year, making it the second largest newsprint producer in the US. Donohue's purchase follows the recent acquisition of Canada's Avenor by Bowater, the US newsprint and pulp producer, for C\$3.5bn (US\$2.5bn).

Both transactions reflect

ing mills. tions. These trends have put—foothold in the US and serve pressure on US and Cana-

## **Donohue buys** \$450m of plant from Champion

By Scott Morrison in Toronto

Donohue, the Canadian forest products company, has responded to consolidation pressures in the North American pulp and paper industry by acquiring two Texas mills and three recycling plants from Champion for US\$450m. The acquisition will

increase Donobue's newsprint capacity from 1.5m

growing pressure for consolidation in North America's fragmented pulp and paper industry, which must contend with increasing competition from low-cost producers in the southern companies recently strengthened by mergers and acquisi-

economies of scale, reduce distribution costs and regulate output.

Donohue will acquire the Lufkin newsprint mill and the Sheldon newsprint and speciality papers mill, which have a combined production capacity of 875,000 tonnes. The deal also includes three recycling plants that will enable Donohue to increase its volume of newsprint from recycled fibre.

Champion, which specialises in uncoated free sheet paper, had announced its intention to sell its newsprint assets. Under the agreement, Champion will continue to provide fibre for the mills.

Michel Desbiens, Donohue chief executive, said the acquisition was financially sound and would make an immediate contribution to his company's earnings. Analysts said the purchase price was low, but it was not immediately clear how much Donohue would need to

The assets give Donohue a as a platform for exports to dian companies to improve Mexico and South America.

#### **NEWS DIGEST**

#### INVESTMENT BANKING

a Rilai Hal

#### **Goldman Sachs rises** 13% to quarterly record

Goldman Sachs, Wall Street's largest remaining partnership, vesterday reported pre-tax earnings of \$1.02bn for the first quarter of 1998, its highest quarterly result and a 13 per cent increase on last year. Goldman's revenues for the three months to February 27 were \$2.47bn, a 26 per cent increase on the \$1.96bn achieved in the same quarter last year. However expenses gre 38 per cent, from \$1.05bn to \$1.45bn.

The firm said its strong first-quarter performance was driven primarily by trading and investment banking, particularly mergers and acquisition advice work and underwriting.

Goldman's results are keenly watched on Wall Street as they are seen as a beliwether for the performance of other investmen banks and securities houses. In the fourth quarter of 1997, Goldmen's earnings were hit by the turnoil in the Asian markets, heralding similar disclosures from other investment banks. However, in the first quarter of 1998, it appears to have been untroubled by Asian turbulance.

"Our financial performance last year, together with the strong results of the first quarter, clearly demonstrate the effectiveness of our global business strategy," said John Thain, chief financial officer. "We are improving the performance of our core franchises, diversitying into new businesses, and adding capacity, to meet the increasingly complex needs of our clients."

At the end of the quarter, Goldman's capital stood at \$6.3bn, compared with \$8.1bn at November 28, the firm's year-end. Full-time permanent employees numbered 11,000, up from 10,650 at the year-end. William Lewis, New York

#### RESTRUCTURING

#### Goodyear sells pipeline system

Goodyeer Tire & Rubber, the US tyre manufacturer, is to sell its All American Pipeline system, which includes a 1,233-mile crude oil pipeline running from California to Texas. The buyer, Plains Resources, an independent energy company, is paying \$420m. AAP also includes a 45-mile crude oil gathering system in the San Joaquin Valley, California. Plains is funding the deal with a mixture of bank debt and an issue of convertible preferred stock.

The pipeline was built for \$1.6bn when oil prices were much higher. It became lossmaking for Goodyear shortly after its completion in 1987. In the early 1990s it was handling only about 50 per cent of its capacity. It was one of a number of non-core assets earmarked for sale in the mid-1990s, as Goodyear under went a bic restructuring. But the pipeline subsequently moved into the black, and Goodvear said it would sell the business only if it received reasonable offers. In 1996, Goodyeer wrote down significantly the value of the asset in its balance sheet. Nikki Tait, Chicago

#### **MILLENNIUM 'BOMB'**

#### GM puts cost at up to \$500m

General Motors, the largest of the "Big Three" US vehicle groups, expects to spend between \$360m and \$500m on ensuring that its systems are updated to overcome any "year 2000" computer problem. While the expenditure is not huge in the context of the group's business overall, GM's disclosure, made in a filing with the US Securities and Exchange Commission, provides some measure of the extent to which manufacturing business may be affected by the computer problem. To date, much of public attention in this area has concentrated on financial services companies and banking-related businesses. Niikki Telt

#### **MEXICO**

#### Sidek shares hit by warning

Shares in Sidek, the troubled Mexican conglomerate, fell yester day after the company warned that a 600 per cent rally in the share price late last week was unjustified. Sidek's B shares turnbled 45 centavos, or 42 per cent, to 55 centavos in early trading yesterday after Sidek warned that it knew of "no justification" for the sharp increase in its share price. Analysts said the rally was on volume of just 5m shares, or less then \$1m worth.

Sidek shares had surged after the company announced it aimed to complete a \$1.9bn debt restructuring on March 27 by liquidating its tourism assets, valued at \$1.2bn, over the next five years. The sale plan leaves it short of \$700m to cover the debt obligations. "Sidek does not believe significant value will be attributable to its equity after payment of such obligations," the company said.

Sidek defaulted two years ago in the aftermath of Mexico's peso crisis. Some of its international bondholders have sought to halt the restructuring plan. Bankers Trustee, a London-based affiliate of Bankers Trust, the US bank, which is representing the bondholders, said vesterday it would appeal a US court ruling last week that favoured Sidek. The appeal is due to be heard on March 31. Henry Tricks, Mexico City

#### SODEXHO

#### Marriott deal approved

Sodexho Alliance, the French catering group, yesterday said the merger of its North American catering business with Marriott International's food service and facilities management division would be completed this Friday following last week's approval of the deal by Marriott's shareholders. The new company, Sodexho Marriott Services, will be quoted on the New York Stock Exchange. Some 49 per cent of its shares will be owned by Sodexho Alliance, 10 per cent by the Marriott family, and the remaining 41 per cent will be publicly traded.

Sodexho said the 1997-98 period would be a transitory year for the merged entity, but that for the following three years, earnings per share should increase by an annual average of 20 per cent. Marriott is spinning off its hotel operations into a new company that will retain the name Marriott International. Shareholders agreed the deal by a large majority on Friday after Marriott agreed to let them vote separately on an anti-takeover plan for the new company, which had threatened to become a stumbling

 Service, a US hotel ownership and management company, said it had agreed to merge with impac Hotel in a deal valuing Impac at about \$110m. Service will assume \$406m of debt. The combined entity, to be named Lodgian, will own or manage 140 hotels in the US and Canada. Richard Tomkins, New York

#### **PHARMACEUTICALS**

#### Pfizer shares jump

Shares in Pfizer jumped yesterday after the spotlight on its candidate impotence drug Vlagra grew even brighter with a positive feature on Friday on the ABC News television programme 20/20. Pfizer shares were up \$33 to \$95% in morning trade, continuing last week's sharp rise on expectations that the US Food and Drug Administration will this month approve the oral tablet treatment for male impotence.

"The 20/20 report could not have been more positive even if Pfizer had written the script fiself," said Alex Zisson, analyst at Some analysts have predicted that Viagra, if approved, would

generate revenues of \$2bn by 2001 and sales of \$5bn or more in subsequent years. However, others say market hopes for the drug are overly exuberant and that a sales disappointment could put pressure on Pfizer stock, now trading at about 47 times projected 1998 earnings, compared with a p/e ratio of 33 for the drug group. Reuters, New York

rined Growth 997 Results e Asian Crisis



165 H

PROPERTY OF THE PARTY OF THE PA

COMMENT

Powerscreen

company's board should make clear now which directors

knew what and when. If any of them appreciated the extent

of Mathro's problems before the share placing, they should

The KPMG report should also examine the role of the

non-executive directors, who, the chairman aside, have been

too quiet. Shareholders have a right to expect more leader-

ship from non-executives when the credibility of the man-

A few chief executives lose their heads and people are

already grumbling that the City is being too short-termist

In recent months, there has been an uptick in the number of

corporate executions. Booker's Charles Bowen, De La Rue's Jeremy Marshall, Premier Farnell's Howard Poulson, Laura Ashley's Ann Iverson and Dalgety's Richard Clothier have

all fallen or been pushed on their swords. But merely listing the names hardly suggests the City is being trigger-harpy. in each case, substantial shareholder value had already been destroyed. Arguably, the bosses should have gone earlier.

It is, of course, somewhat simplistic to attribute all the

departures to City pressure. Investors are, happily, becom-

ing a touch more active. But the main responsibility is on

non-executive directors to ensure underperforming chiefs.

are shown the exit. They should be in a better position than

shareholders to judge whether a sluggish share price is the

result of bad luck or bad management, and whether more

time is needed for a long-term strategy to hear fruit. Unfor-

tunately, not all companies have strong non-executives and

some have yet to split the roles of chairman and chief

executive. Pressure from the City must be maintained.

Share prior relative to the

Powerscreen is turning into a can of worms. The latest one Pow

to wriggle out should turn

appears that Barry Cosgrove,

Powerscreen's finance direc-

tor, attended a meeting on

December 1 to discuss pric-

ing problems at its Mathro

subsidiary. The first the mar-

ket knew of the troubles was

on January 27. In between

those two dates, the company

placed 3m shares with inves-

tors. The company says that

the board's knowledge of

events will be examined and

made public in a report by its

auditors, KPMG. But the

Corporate executions

agement has been so severely dented.

investors' stomachs. It FISE Al-Simo Main

#### COMPANIES AND FINANCE: UK

CONSUMER SERVICES THE £801M TAKEOVER BID BY US-BASED CENDANT FOR NATIONAL PARKING CORPORATION

## How a bomb was made out of car parking sites

Jonathan Ford reports on the attractions of NCP to its American suitor

(NCP) by Cendant of the US has brought to an end one of the longest-running "will they? won't they?" sagas.

most successful private companies - NCP has been threatening to float on the Stock Exchange since the mid-1970s. Only last Decemher it shelved its latest plans to come to the market, deciding instead to spin off and float its fast-growing Green Flag breakdown recovery network. With the bid, those demerger plans have themselves now been shelved.

Cendant has made its move at a shrewd time. For the last two years, NCP has been restructuring to ready

Bob Mackenzie, chief executive, has been scrubbing they liked to own the sites Mr Mackenzie admits the expand. "PHH has very com-

The £801m (\$1.3bn) bid down NCP's 500 ageing car they ran. So more than 70 company is only beginning yesterday for National parks and installing new Parking Corporation computer systems in an attempt to raise both volumes and margins, which stagnated during the 1990s.

But even he admits the The UK's largest cark park Cendant takeover may be operator - and one of its better news for the business than the flotation he was There is a tremendous

opportunity with Cendant to really drive the business for-NCP was founded in 1949

when (now Sir) Donald Gosling a trainee surveyor with Westminster council, and Ronald Hobson started buying cleared bomb sites in town centres and offering car parking at 7%p a time. The founders, still joint chairmen, own 72.5 per cent

Both property men as much as car park operators,

per cent of NCP's sites in the to understand who they are UK are owned either free- and, consequently, how to hold or on long leases.

The business flourished, as rising property values and car ownership pushed profits up. But in the 1990s, with tighter restrictions on the of UK sites. use of cars in city centres brought into NCP to achieve. and the drift of retailers out of town, profits slipped.

The takeover by Cendant could help NCP in two ways. The US company is not wedded to property ownership and can be expected to dispose of most of the compa-

This should release capital for much needed new systems, such as electronic point of sale equipment and credit card booking systems. which will help NCP develop its market.

Although NCP estimates it

Given the tightness of planning regulations, NCP believes there will be little chance to raise the number "So the objective is to get

serve them better

closer to our customers and get them to use the service more," says Mr Mackenzie. The founders' other legacy

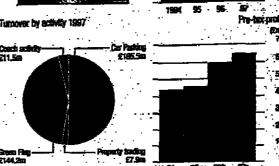
has been a string of businesses acquired or built from the cash flow from the car parks business. The biggest of these is Green Flag, which now claims 3.5m members. Its profits have surged in recent years. Cendant sees huge poten-

tial in Green Flag. The US company already owns PHH. which provides services for company car fleets in the UK has 3m regular customers, and has been seeking to

sell it aggressively in Europe This argument applies to both American Bankers Insurance and National Car Parks. According to Mr Sil-

opportunities for cross-selling. "About 8m people park in NCP every weekday that's 3m sets of eyeballs. They will be available for cross-marketing."

# National Parking Corporation



year, he had never even plementary products to Green Flag. We see the busiheard of the company. es as a great fit," said John Callum, PHH presiinformation just to find out what they did," he says.

Mr Mackenzie admitted that when Cendant

"I had to pull out some

Now he has done so, he

Similarly, Mr Silverman belives that NCP is missing

Few UK car parks accept credit cards at present. Using loyalty cards, Mr Silverman thinks it will be an "easy win" to use NCP as a brand for selling other products, and to expand its net-

## Tomkins makes **US** acquisition

Tomkins, the conglomerate, made significant inroads into its cash pile yesterday with the announcement of the \$187m acquisition of Schrader-Bridgeport of the

The business, which manfluid control components. will be integrated into Tomwindscreen wipers and transmission belts to the cal whether Caradon could

motor industry. Tornkins has been under pressure to spend its cash, which stood at £188m at the last year end in November.

about £300m (\$501m). However, Anthony Spiro, director of corporate affairs, said yesterday that even after the latest deal the company would still be left with

sition of the Spillers milling businesses in February.

cash and take on some debt led it to announce a £100m share buy-back scheme last year, despite the repeated objections of Greg Hutchings, chief executive, that he ufactures tyre valves and would prefer to make acquisitions than return cash to

iary, a leading supplier of said it had completed £50m of the £100m buy-back programme and planned to spend the remaining £40m over the coming months. However Mr Spiro said yesterday that the buy-back had been put on hold in while. the company had focused on : its recent acquisition opportunities. Since January it had bought back only 500,000.

Analysts said the deal, at

## Cendant signals intent with \$4.4bn purchases

By John Authors in New York

Cendant is a company in a hurry. Formed by an \$11bn (£6.6bn) merger at the end of last year that made it the world's largest consumer services company, it yesterday announced two acquisi-

American Bankers Insurance, the largest US quoted credit insurer, following an aggressive bidding war in which it wrested the company away from a friendly merger with American

**Hamleys** 

planning

buy-back

return £6m to shareholders

via a buy-back of 10 per cent

The group, which is diver-

sifying away from its flag-

ship store in London's

Regent Street, yesterday

reported a 10 per cent rise in

pre-tax profits to £7.57m

(\$12.6m) for the year to Janu-

Turnover rose 51 per cent

from £30.5m to £45.9m.

including an £8.74m contri-

bution from Toystack, pur-

Operating profit before

chased last year for £8.7m.

By Arkady Ostrovsky

of its equity.

ary 31.

also pay \$1.3bn for National Parking Corporation

Henry Silverman, the company's chief executive, made clear that the timing was not ideal: "The opportunity to do each of these deals came up. and we couldn't tell either of them that we would come back in six months. The timing is a coincidence."

While the businesses seem to have nothing in common, both fit neatly into Mr Silverman's ambition, which is to run the world's

spending by tourists from

Howard Dyer, chairman.

said the company was to

spend £7m over the next two

bishing the Regent Street

south-east Asia.

International Group. It will premier direct-marketing organisation. This was already clear

from the two companies that merged to form Cendant -CUC International and HFS. CUC provided member services and direct marketing through discount schemes. These are often offered via credit card issuers, and involve shopping, travel and local merchant networks. HFS was a collection of

franchised operations, including hotels, car rental agencies and real estate bro-

Mr Dver said the company

was also looking to make its

brand more international

after a positive feed-back

form its stores in the Nether-

lands, Singapore and Saudi

The shares gained 14%p to

Analysts forecast this

year's pre-tax profit at

£9.25m, putting the shares

on a forward p/e of 8.8.

Arabia

Its brands in the US include Avis car hire, Ramada, Howard Johnson and several other botel chains; PHH, a vehicle leasing company, and a range of US real estate agencies including Coldwell Banker

By the time of the merger, it claimed 100m customers used one of its services each year, but with minimal cross-selling. The aim of the acquisi-

and Century 21.

tions is to provide the marketing machinery with new products to sell to its exist- The opportunity now is to work further.

verman: "This could give us significant revenue synergies. When the same customer pays you more, there's no cost to that. All of that goes to the bottom line.' American Bankers' busi-

ness is almost exclusively restricted to the US, where the market for credit insurance - insuring consumer loans - is relatively mature.

sale have book values of

£115m and £126m respec-

tively, including net operat-

ing assets of £55.2m and

which is not currently con-

sell the US and UK busi-

nesses for their book value.

"Together they are probably

worth no more than £200m.

plumbing and heating prod-

ucts . . . at the moment we

are just a north European

Some analysts were scepti-

sidered for sale.

said one.

## Caradon to exit UK and **US** windows and doors

Caradon yesterday signalled the sale of its US and British ing or marketing." windows and doors businesses in a deal that could for the bu materials company.

The operations - which comprise Peachtree and Better Bilt in the US and Everest in the UK - lost money last year and were largely responsible for a drop in Caradon's pre-tax profits in 1997.

Jurgen Hintz, who will its costs led to a restructurbecome group chief executive in May, said: "I will take comprised of £14m in cash a lot of persuading to see a costs and £10m in property long-term future for these

Mr Hintz, formerly chief executive of Carnaud Metalbox, Europe's largest packaging business, said there £152.5m to £129m. Turnover were three reasons why Car- fell 18.7 per cent to £1.72bn. adon was considering selling Group profits were also hit the operations

He said: "They are very translation. regional, the barriers to

entry are low, and the core iaries earmarked for possible of the business is low-value installation, not manufactur-

Overall the window and door operations - which also include Weru, a German sub-£3.5m in 1997, against a £20.1m profit in 1996, on turnover 11 per cent lower at £497.3m.

A revamp of the businesses is expected to put them back into profit in the second half of this year, but ing charge of £24m. The was write-offs.

As a result, in the year to December 31, Caradon reported pre-tax profits down 15.4 per cent, from by an £8m loss on currency The US and UK subsid-

player." The Mediterranean

region was particularly attractive, he said. He said that Caradon would concentrate in future on plumbing and heating

#### It has set itself the target of Mr Hintz said that Caraincreasing gearing to 15 per don was interested in makcent - equivalent to debt of ing acquisitions to help it "achieve a European scale in

Schrader-Bridgeport, which comes with \$68m of debt, will increase the total

Shareholder pressure for Tomkins to get rid of its

shareholders.

more shares, he said.

10 times operating profits of \$23.3m last year, was a little more expensive than Tomkins was used to paying. Mr Spiro replied that the company was a high margin operation with a quality spent this year to about niche, adding "quality does £245m after the £92m acqui- not come cheaply". GUS fights legal action in \$831m bid

#### Issue of U.S. \$300,000,000

reorganisation costs of store. The rest would be

£518,000 increased from spent on opening new Toys-

£6.56m to £8.09m; Toystack tack shops and upgrading contributed £961,000. Sales at computer tills ahead of the

Regent Street were flat year- millennium bomb, estimated

on-year as the result of low' to cost £1m.

#### Bank of Western Australia Ltd

Undated Floating Rate Notes exchangeable into Dated Floating Rate Notes of which U.S. \$200,000,000 is being issued as the Initial Tranche

Interest Rate **Dated Notes** 

5.85% per annum 5.6875% per annum 24th March 1998 24th September 1998

Interest Amount due 24th September 1998 **Undated Notes** per U.S. \$ 10,000 Note per U.S. \$250,000 Note **Dated Notes** per U.S. \$ 10,000 Note per U.S. \$250,000 Note

U.S. \$7,475.00

U.S.\$ 299.00

Credit Suisse First Boston (Europe) Ltd. Agent

## Financial Times Surveys **Philippines** Wednesday September 23 For further information please contact: Jenny Middleton in London Tel: +44 171 873 3794 Fax: -44 171 873 3204 email: jenny,middleton@FT.com or Brigitte McAlinden-Judy Tham in Hong Kong Tel: (852) 2 2905 5554/5558 Fax: (852) 2 2537 1211 FINANCIAL TIMES No FT, no comment.

#### Advance Bank Australia Limited US\$250,000,000 Floating Rate Notes 1999

6.0375% per annum for the 24 March 1998 to 24 June 1998. Interest payable value US\$154.29 per US\$70,000

Agent: Morgan Guaranty Trust Company **JPMorgan** 

#### NBD BANCORP, INC US\$100,000,000 Floating rate subordinated

notes due 2005

**JPMorgan** 

Notice is hereby given that for the interest period 24 March 1998 to 24 June 1998 the interest rate has been fixed at 5.875%, Interest payable on 24 June 1998 will amount to US\$150.14 per US\$10,000 note. Agent: Morgan Guaranty Trust Company

The interest rate applicable to the above Nores in respect of the interest period commencing 24th March 1998 has been fixed at 6% per amount. The interest amounting to US\$306.67 per amounted in US\$306.000 principal amount of the Notes and to US\$3066.67 per US\$100.000 principal amount of the Notes will be pixel on 24th September 1998 against Obstantial of Carson Marches 16. Bank Leemi (UK) Pic

Lemmi International

Investments NV

US\$75,090,000 Guaranteed

Floating Rate Notes 2000

#### **CREDIT LYONNAIS** USD 500,000,000.-FRN Undated Bondholders are hereby ormed that the rate for on N° 27 kas bee

fixed at 6.75%, for the iod starting on 19.03.1998 mdl 18.06.1998 inclusiv ng a period of 92 days). The coupon will be payable on 19.06.1998 at a price of USD 172.50. The Principal Paying

Agent

CREDIT LYUMBOURG S.A.

#### and William Lewis in New York Great Universal Stores, the

UK mail order house, is fighting legal attempts to block its agreed \$831m (£498m) bid for Illinois-based Metromail. In a counter-suit it alleges wrongful interference by rival bidder, American Business Information.

It also emerged yesterday that Metromail has received several lawsuits from inves-

\$31.50 a share deal with target's board. GUS. ABI is bidding \$33 a share, valuing Metromail at

The GUS suit, filed in the Delaware chancery court, claims ABI had "no legal right to make an offer for Metromail". The suit says ABI had acknowledged this by writing to Metromail on March 18, demanding it be released from provisions prohibiting it from bidding

(324.6

tors angured by the group's without the approval of the tial damages". The provisions are

thought to have been agreed by Metromail with several potential bidders, including GUS, who were given access to confidential information in an auction process. The UK company is seek-

merger agreement. Failing

an injunction, the suit states

GUS will seek "very substan-

July 1 May 29

The counter-claim follows ABI's attempts last week to stop the agreed deal between facilities Metromail and GUS by seeking an injunction in the Delaware court. The case is to be heard on Friday.

Metromail has begun discussions with ABI "to better ing an injunction against understand the offer, includinterference by ABI in its ing financing conditions". ABI yesterday rejected GUS's claims as "totally --without merit".

#### 53 wiks to Jen 31 135.6 Yr to Dec 31 389,4 Yr to Dec 27 203.3

(10.2) (3.75\) (11) (1.59\) (23) (6.31\) (152.5\) (8.221\) (97.5 ) (195 ) (86.7 ) 1.00L 4 24.1 4 4.8 4 129 4 1.54 4 (12.9 ) (15.8 ) (34.6L (38.8 (19.9 1,717 5.96 (2,113 ) Yr to Dec 31 5,7 8.5 Yr to Dec 31 Yr to Jan 31 (84.7) 24.4 7.57 4 4.4 Forth Ports 154.7 2.75 .... Yr to Dec 31 🖈 0.513 (0,184 ) (1.49L) (5.42 ) (2.1L ) (19.8 ) Yr to Dec 31 116.5 Yr to Dec 31 56.2 1.22L 112.1 9.71 (1.04L) (98.5) (2.02L) Morgan Crucible Nestor Healthcan \_ Yr to Jan 4 ★ 890.7 \_\_ Yr to Dec 31 144.3 8.5 2.47 1.25 4.5 4.9 1.33 4.2 2.3 0.5 1.85 5.54 3.8 0.8 (130 ) (2.69 ) (15.1 ) 0.3054 7.21 Yr to Dec 31 3,76 3.87 ..... 6 meths to Mear 1 poboro \_\_\_\_\_\_ Yr to Dec 31 copie Cochrane \_\_\_ 6 mins to Dec 31 (108.4 ) (13.8 ) (73.5 ) 113.2 (0.59 (5.2♥ (5.02♠ (5.03♠ 7.3 Yr to Dec 31 Yr to Dec 31 80.7 (166.1 Yr to Dec 31 111.8 Yr to Dec 31 349.5 (88.9 ) (259.8 ) 12.24 18.74 62.5 Taylor Nelson AGE 3.231 Transilec ... 2.34 . Yr to Dec 31 101.2 (106.1 7.59

Earnings (Por)

(1.69L) (29.2)

48.82<u>1</u> 2.85

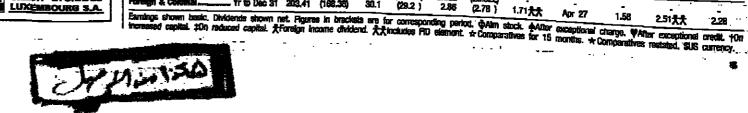
(28.02L) (2.78 )

4.36L 30.1

24.24 20.6

38.51†

(19.6 ) (22.4 ) (6.3 ) (37.51



 $\mathbb{N}_{Ab_{\Gamma_{\beta_{A}}}}$ 

39 2.0

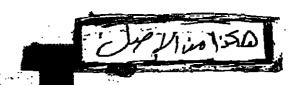
omkins make

> acquisition

. 2 ..

\_ - -

· ·<u>·</u>



#### **BUSINESSES FOR SALE**

FOR SALE

GROWING PROFITABLE MANUFACTIVE BUSINESS In West Yorkshire

One Southwark Bridge, London SE1 9HL

FOR SALE/POSSIBLE MERGER

High Street

60 outlets in total, nett profits

in excess of £1 million.

Sex #5779, Floracial Times.

na Santincark Sridee, Landon SEI SEI

MADEIRA

embroidery manufac + Profitable +

International customer base

Important design library 🕈

SB 1373@ Reply to

Box 85778. Financial Times

One Southwark Bridge, Condon SE1 SHL

etall Clothing Bush

## Humberts Leisure

On the instructions of



The Rank Group

Holidays Division

Four important coastal holiday centres All with a well capitalised range of core leisure facilities

- Hampshire coast 259 chalets
- Isle of Wight 330 chalets

**ELECTRONIC PRODUCTION** 

ASSEMBLY EQUIPMENT

TRADING BUSINESS

FOR SALE

Highly regarded name established for 6 years. This

business trades second user surface mount pick and place

machines with blue chip customers throughout UK and

Europe. Workshop and showroom located NW London.

Turnover £2m, inventory in excess of £500k.

For sale as a going concern.

For further details please contact

Davant Limited

Tel: 01932 770400

Fax: 01932 771135

BRITISH COMPANY OFFERS FOR SALE IN GHANA

GOODWILL, CUSTOMER BASE & STOCK OF LONG

ESTABLISHED BUSINESS IN HEAVY PLANT AND

DIESEL EQUIPMENT SUPPLY AND SERVICE FIELD.

**★ Extensive Client Base** 

\* Established Representation

★ Multiple Locations ★ 45 Years of Trading

Box 85780, Financial Times, One Southwark Bridge, London SE1, 9HL

• South Cornwall - 253 chalets and 35 hire fleet caravans East Devon - 337 chalets and 131 hire fleet caravans

For sale freehold as profitable, fully operational centres, available as a group or individually

For full details and brochure please contact:

Queensgate House, 48 Queen Street, Exeter EX4 3SR Tel: 01392 490497 Fax: 01392 410436 (Ref: PRS) 12 Bolton Street . London W1Y 7PA

Tel: 0171 629 6700 Fax: 0171 409 0475 (Ref: JCM/DTDM)

e-mail: humberts.leisure@virgin.net HOTELS • GOLF • LEISURE

#### COMPANY FOR SALE

Manufacturers to the Building Services Industry Well established business throughout the UK with good overseas contacts. Turnover c. £2 million p.a.

Excellent reputation. Good profits.

Principals only. Write to: Box B5777, Financial Times, One Southwark Bridge, London SE1 9HL

#### SALE OF LONDON BASED IMPORTERS OF OPTICAL GOODS

Family business, established importers and distributors of consumer optical goods with very well known brand name. Business has some big accounts and continually growing turnove Net profit before tax 1997 £800,000, 1998 probably higher. Genuine reason for sale - some older family members retiring. (Main director might stay on).

Enquiries from principals or their retained advisors only.

£6 million cash only.

Write to: Box 84412 Financial Times, One Southwark Reider, London SE1 9HL

#### **FOR SALE**

SPECIALIST DOMESTIC APPLIANCE COMPANY 2.4M Tumover Stue Chip Accounts Located 20 minutes from M25 Owners wish to retire No Agents, Principles Only

estions of interest Box BS774, Financial Times, Southwerk Bridge, London SE1 9H

#### **BUSINESS TRAVEL**

Does your company want to own all/majority stake in a licensed business travel agency/team? Do you have substantial (£200k+) funds and do you have a meaningf (£250k+) business travel budget?

Box R5331, Financial Traces One Southwark Bridge, London SEL 981L

#### On client instructions, business advisers Grant Thornton are offering FOR SALE a

#### Plastic Injection **Moulding Co**

The company designs, manufacturers, prints & packages high quality custom and proprietary

- products.
- Turnover 25 million 120% growth over last 4 years
- Blue chip clients Skilled workforce
- **Extensive tool library** Operations in USA and Europe **Based** in Midlands
- For further details write to Box No B5773. Financial Times. No 1 Southwark Bridge,

London, SE1 9HL

Grant Thornton

#### FOR SALE

EX-MERCEDES DIESEL ENGINE PLANT

Formerly used in the production of 2,4 litre, 4 cylinder diesel engines. Either as complete manufacturing facility or as

individual component lines. INCLUDING:

CYLINDER BLOCK LINE CYLINDER HEAD LINE CRANKSHAFT LINE

please contact

CAMSHAFT LINE, CON ROD LINE FLYWHEEL LINE For colour brochure and viewing arrangements

//ZWG

Industriestrasse 7, CH-3178, Bosingen, Switzerland Tel: +(41) 31 7406060 Fac +(41) 31 7406070 Email: j.moecke@zwg.c

Office 21, Achiflees Building 224 Arch. Makerios III Avenue

3030 Limassol, Cyprus Tel: +(357) 5 340838 Fax: +(357) 5 340827

#### www.cybo.net/bsr Precision Eng. South East

The No. 1 independent listing of long established customer list, clean very profitable company. medium to large companies for sale in the UK (T/O £1m+), flow lacisdes European companies for sale + all UK receiverships. For sub details: Sales for 1998 circa £1.5 m.

financing for both private individuals and companies.

We lend against any realisable assets of high value such as

property, jewellery, paintings, antiques, quoted share

Our specialist property division also provides bridging

facilities for residential and commercial property transactions.

Any viable proposition considered

IMPERIAL CONSOLIDATED ASSET FUNDING LIMITED

Telephone: 01472 399000

Retirement sole

0181-875 0200

#### **BUSINESS OPPORTUNITIES**

READERS ARE RECOMMENDED TO SEEK APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS IMMEDIATELY AVAILABLE FUNDING

#### MEDICAL PUBLISHING OPPORTUNITY

We are seeking licencees to publish an established and successful medical publishing product in Europe, either on an individual or multi-country basis.

This product has been successfully launched in three countries including the UK and we now wish to expand into Europe.

The end product is of the highest quality and produces substan profits. Interested companies should supply details of their organisation and experience of publishing medical based literature in Europe, particularly France, Germany and Italy.

> All enquiries in confidence to: Mr Andrew Curtis in UK Fax: +44 1276 477413

**ASPIRING** MILLIONAIRES Call and Listen.

Not MLM or franchising.

Call 0800 542 1220

Management Buy-Out What is your company worth?
PC spreakhed valuation model, is used by venture capitalists, (#995 + VAI.

For further details contact Equity Ventures Limited
31 Conveyer Statel Localin W1X 9FE.
Tel: 0171-917 9641 Fee: 0171-917 6002

the  $\mathrm{MB} i$  amonster fr Regulated by the Securitary and Follows Author

#### **APPOINTMENTS WANTED**

**ANALYST - MERGERS & ACQUISITIONS** This leading international investment company wishes to recruit an analyst for its M&A Team which will involve the incumbent in primary analysis of corporate accounting data and market information and valuation analysis for European and North American companies. Applicants should have substantial experience in financial analysis in relation to Mergers, Acquisitions, Initial Public Offerings and Leveraged Buy Outs as well as proven ability in making written and oral presentations to senior management and the ability to manage and imeract at a senior level. Salary circa £27,000. Applicants, fluent in at least one European language in addition to English, educated to degree standard at a leading European or US university and with a minimum two years' previous relevant business experience, preferably gained with a leading financial institution, should write enclosing full

> Box A6087, Financial Time One Southwark Bridge, London SE1 9HL

## looking for quality INVESTMENT OPPORTUNITIES. we have published screened projects every month

for 20 years. Call for a free trial subscription. Venture Capital Report

01865 784411 www.vcr1978.com

Anglo Ameno Group Pic.

Tel: 01924 201 365

Fax: 01924 201 377

POJECT AND COMPERCIAL MBI hunding available to UK and international dients.

Company Vendors & MBI Teams Seminar - April 21st

Chaired by a leading City ligare, over 7 Chairmen, CEO's, Directors and Ventur stagious one day event.

PHONE: 0870 600 0020 FAX: 0870 600 0021

CORFIGERTIAL INTRODUCTIONS FOR MAINTENENT BOY-175

#### **OVERSEAS** MAJOR MASTER

LICENSE

www.Betterware.co.tik Fax: +44-1222-452544

CHANNEL ISLANDS & WORLDWIDE & ADMINISTRATION.

FULL SERVICES CROY TRUST LIMITED 2" Floor, 14 David Place. St Helier, lersey [E2 4TE Tel: (01534) 878774 Fax: (01534) 3540

#### **BUSINESS SERVICES**

#### U.S.A OPERATIONS NEW YORK CITY International Accounting and

Consulting firm with offices strated Mictown, New York City, in a major high security office building, has space and services available, including conference room and library.

Services available include: ist, word processing. computers, esternet access an complete telecommunications

We can act as your office headquarters or representative for start-up business or for an versess company. Our firm is well connected with the investment & vermue capital community.

foreign companies starting in th U.S. or looking for a U.S. headquarters.

Tel: 212-265-7500 Fax: 212-265-7638 E-Mag: ronint@201.com Att: N. Woodcock

 Digital Switching/Fiber Communications specialist now accepting

executive speeches, together with feature.

#### DIVORCE OR CREDITURE PRESSURE

Eather business or personal, your assets can be legally protected!

> HOURS 0171 491 2254 OR AFTER HOURS 0467 251726

#### **BUSINESS WRITER**

commissions to research and write

text for corporate literature, including company profiles, annual reports and

promoting products in the

PLC COMMUNICATIONS tal: +44 (0)1625 536221 foc: +44 (0)1625 535102

Angera, Levin & Baltz Criminal/Tax Litigation/لُمني IIS A offices in New York New Jersey, Pennsylvania 908 306 1500 fax: x1900

ENEA, Ente per le Nuove Tecnologie, l'Energia e l'Ambiente, with Head office in Rome, Lungotevere Thaon di Revel, 76 (tel. + 39 6. 362371, facsimile +39 6 36272777) announces an open call for tender (tender n. 200) for a contract of services of a twin-engine turboprop light aircraft in support of the Italian expeditions in Antarctica. The annual budget amounts to ITL 1000 million (net of VAT/GST); duration three

Total confidentiality assured

We are principal lenders

**CONTRACTS & TENDERS** 

NOTICE BY ABSTRACT OF CALL FOR TENDER

Award: The most advantageous financial tender according to art. 23, sub-section 1, letter b) and art. 25 of the Italian Legislative Decree

Expiration of tender: in conformity with the unabridged call for tender, not later than 12.00 hours of 25th May, 1998. For tender documentation, to be handed over or forwarded to the Firms (on written request not later than 18th May, 1998) please apply (Monday-Friday 9am - 4pm) to Ing. Antonino Cucinotta (Tel. +39/51/6098494 Fax +39/51 6098575) or to Mrs Antonia Goosen (Tel. +39/51/6098610 - Fax: +39/51/60986237 or to Ing. Umberto Ponzo (Tel. +39/6/30483525 - Fax +39/6/30484893).

The unabridged call for tender, giving all conditions of the tender, was sent to and received by the Office of Official Journals of the E.U. on the same date of 18/3/98 and published in the G.U.R.I. Part II n. 69 of 24 March 1998, and is available at the Unita below.

ENRA - Person Responsible for the Unità Coordinamento Procedure di Gara Dr. Maseimo Urbani

SALE HUGE DISCOUNTS ON OFFICE FURNITURE

CITY P.L.C. RELOCATES SUBSTANTIAL QUANTITY OF OFFICE FURNITURE & SEATING AVAILABLE TO INCLUDE:

· Boardroom Tables in Oak, Rosewood & Mahogany · Conference Chairs · Grey & Oak Workstations

#### CHRISTIE & C2

SURVEYORS, VALUERS & AGENTS

#### LONDON

FOR SALE AS A GROUP OR INDIVIDUALLY HOTEL, WEST KENSINGTON 4 freshold buildings with full C1 hotel planning consent.

Currently operated as 64 letting rooms (78 bedspaces) act

Ref 20/FT399/B £2,400,000 TO

HOTEL, WEST KENSINGTON 2 adjoining freshold buildings with C1 hotel planning consent.
Convently stranged as 13 stadios and 9 rooms let on assured aborthold tensory agreements. Opportunity toreconvert to trading hotel. Ref 20/F1398/R

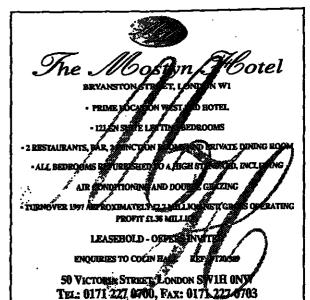
HOTEL, MARYLEBONE

Period building with CI hotel planning consent.
 Operated as 10 studies and one self contained flux let on assured shorthold tensory agreements. Balance of 21 year lease from 1994.

2475,600 LEASEROLD

Ref 20177976

Contact Colin Hall or Jeremy Jones 0171 227 0700 Offices at: London - Birmingham - Bristol - Edinburgh Expiter - Glasgow - Ibrwich - Leeds - Manchester Milton Keynes - Newcastle - Nothingham - Wincheste



CHRISTIE & C2

SURVEYORS, VALUERS & AGENTS

Coopers

**BUILDERS AND** CIVIL ENGINEERING CONTRACTORS



The Joint Administrative Receivers, David Wilton and Allstain Grove, other for sole the business and assets of this established builder and civil engineering contractor based at Howey, near Liandringiad Wells in Mid Wales.

 turnover of £7,2m contract portfolio of 13 contracts in progress with a book

value of \$600,000 completed contracts of £300,000

 fleet of construction plant and equipment development land for 126 dwellings

For further information, please contact Mark Hopkins of Coopers & Lybrand, Temple Court, 35 Bull Street, Blirmingham B4 6JT. Tel: 0121 265 5000. Fax: 0121 265 5650.

Coopers & Lybrand is authorized by the Institute of Chartered , in England and Wales to carry on Investment Business.

Our client is an established company specialising in the design, manufacture, installation, service and maintenance of security systems, principally CCTV. The business has the following key features:

- For Sale -

**CCTV Security Company** 

- Turnover c. £4.5 million
- PBT c. £400k

Fax: 0171 782 9398

- Excellent reputation
- Nationwide "blue chip" customer base

sted parties (principals only) please write to Stan J Patey Pannell Kerr Forster Corporate Finance New Garden House 78 Hatton Garden London ECIN 8JA

nell Kerr Foreier is authorised by the Institute of Chartered constants in England and Wales to carry on investment bus



#### **BUSINESSES WANTED**

#### **Quoted company** seeks investment opportunity or reverse

Profile must include profits of £1 million or above with substantial growth potential. Up to £9 million available. PRINCIPALS ONLY.

Write to: Box B5772, Financial Times One Southwark Bridge, London SE1 9HL

WANTED: Corporate / Financial Advertising Agency

Turnover to £5M investor seeks to acquire core advertising agency business with City/international blue chip client base and possibly some investor relations / public relations / design capabilities.

Principals Only - Write to: Box 85784, Financial Tisses, One Southwark Bridge, SE1 9HL

Small to Medium sized anufacturing/service compar required to compliment existing group. Insolvent companies

especially of interest as

cash funding/support is available

Outright or part sale considered

Tel: 0171 491 2254

or Mobile: 8467 251726

#### **BUSINESS WANTED** We are a fully listed property

Services group, looking for a property services business within the M25, making pre-tax profits in excess of £250K. For turther information, please reply in confidence to:

Box 85776, Financial Times, One Southwark Bridge, London SE1 9HL

Ŋ,

We have over 40 years of international experience in helping

Please contact us at:

INTERNATIONAL PHONE CALLS

. AT&T and Other Networks - Use from Home, Office, Hotels, Cell Phones • 24 Hour Customer Service Call now for New Low Rates! Tel: 1.206.284.8600 Fax: 1.206.270.0009 Lines open 24 hours!

**kali**back

For total, confidential and

UK and infernational press.

Email: A3jn@angeralaw.com

#### OFFICE EQUIPMENT

Call to view: 0181 549 4848

free information on how Cost Effective Representation DIRECT FROM MANUFACTURER · Cherry Executive States · Desking & Storage · Executive & Secretarial Senting PHONE DURING BUSINESS of Global Clients in U.S. Courts LONDON WC1 SHOWROOM et 69-73 Theobald's Road anden WC1X Tel: 0171 831 6678

## US recovery lifts Europe off lows

**GOVERNMENT BONDS** By Vincent Boland in London and Richard Tomkins in New York

Government bond markets prices and the possibility of said. political turmoil in Russia

European markets dipped sharply at the start but good news from bond marrecovered some poise after the US market rallied. sparked by an outright purchase of Treasuries by the Federal Reserve.

Trading in Europe was extremely thin however with monetary union convergence reports later in the week also weighing on inves-

Analysts said the oil price outlook was more important in the longer term, but pointed to the failure of oil producers to stick to agreements in the past.

Higher oil prices would closed mostly lower but also further complicate the above their worst levels yes- economic picture for Asian terday in a session domi- countries already in the grip nated by talk of rising oil of a financial crisis, they

"If they were to succeed in after President Boris Yeltsin getting the price up to \$20-dismissed his government. \$21 a barrel, it would take away a lot of the near-term kets," said Glenn Davies at Crédit Lyonnais in London. US TREASURIES opened lower on fears that any oil price rises would ignite inflation. However, they regained most of their losses during the morning in response to haven" buying driven

by events in Russia.

was just  $\frac{1}{13}$  lower at  $103\frac{11}{22}$ . yielding 5.885 per cent.

The 10-year note was down  $\frac{1}{22}$  at 99%, yielding 5.57 per sian government. cent and the two-year note was 1 lower at 9916, yielding 5.532 per cent.

The Federal Reserve belped spark the rally by making an outright purchase of Treasuries, in a move known as a coupon pass. It bought five-year to from May 15 2003 to November 15 2027. having bought shorter-dated maturities earlier this month.

The political situation in Russia was also seen to have helped prices, with traders reporting safe-haven buying. GERMAN BUNDS are always sensitive to events in

III US DOLLARS

FHLB(a) Capital 1 MT, Class A (b) Capital 1 MT, Class B (b)

Investor AB Goldman Sachs Group(cit ING Bank (São Paulo)

pick-up. "The steepness of

the German yield curve

HALIFAX, the UK bank.

issued £300m of 10-year

bonds. Barclays Capital,

joint lead manager with Leh-

man Brothers, said the deal

had attracted demand from

Bear Steams Co Inc.

B D-MARKS

**■ STERLING** 

helped,"

New international bond issues

benchmark 30-year bond was banks have extensive expo ers is not helping. The June down 13, yielding 5.91 per sure. However, after an early notional bond future settled cent. However, at noon it knee-jerk fall, the market 0.22 lower at 103.96. remained relatively calm as investors waited to hear the fate of reformers in the Rus-

> The June future settled 0.10 lower at 107.58, but only 165,000 contracts had been traded on the DTB by early evening and the future had been as low as 107.43.

Analysts said the Russian events could leave bunds still searching for the impe-30-year securities maturing tus they needed to move higher, with expectations of no rise in interest rates until well into the year, if at all, now fully priced in.

FRENCH BONDS suffered day among the core European markets, with Matif trading at its lowest level since early January. A con-

100.00 100.00 99.721R 99.71 100.00

99.832R 99.855R

6.375 6.375 7.125(1)

Apr 2008 0.2682 Jun 2008 0.2682 Apr 2003 0.300R Apr 2005 0.300 Mar 1999 0.25 Mar 2003 (f1)

Apr 2008 0.35R Nar 2005 0.30R

In early trading, the Russia, where German tinuing strike by local tradoffering

UK GILTS were hit by a dearth of activity as investors awaited more economic data later in the week, but managed to outperfom bunds slightly.

The June future settled % lower at 1081, with just 34,000 contracts exchanged on Liffe by early evening. The spread over 10-year bunds stood at 113 basis points, one point less than it ended last week.

ITALIAN BTPs eased with other markets, but were looking ahead to more positive inflation data for March from the main cities, which the biggest reverse of the might leave room for the Bank of Italy to cut interest rates. The June future settled at 119.39, down 0.10, in

+16(5%Feb01) ABIN Armo +82(5)%Feb08) Barclays Capital +83(5%Feb08) Barclays Capital +85(5%SLST) JP Morgan Goldman Sachs (72) Bear Steams Intil Bear Steams Intil

Executives at the bank said there was strong demand for the issue from institutions and European private banks, and "a lot of retail accounts out of Asia and Switzerland".

sented a 2 per cent discount to last night's closing price of Aiful shares in Tokyo of Y8,500, including the subtraction of a Y60 per share dividend announced on March 2. However, the new shares will qualify for all subsequent dividends.

ratio of 13.9. Aiful is the terms of loans outstanding.

#### **Aiful** launches global

Aiful Corporation, Japanese consumer finance group, has raised Y33bn (\$253m) in a global share offering, selling 4m shares to international investors at Y8,271 a share.

It is the first Japanese over-the-counter company to tap the international equity capital markets this year and a rare global primary issue from Japan.

Nomura International, sole lead manager, said the share issue was twice subscribed. with one-third of the stock each going to investors in the US, the UK and Europe,

The issue price repre-

The new shares, which represent 8.5 per cent of Aiful's enlarged share capital, will be listed on Japan's over-the-counter market on April 16. However, the company has said it expects its listing to be upgraded to the main Tokyo stock exchange in the second quarter.

At the issue price, the company, which went public in July last year, has a market capitalisation of about Y357bn and a price-earnings fourth biggest Japanese consumer finance company in NEWS DIGEST

MARKET MANIPULATION

## **Futures regulators beef** up supervision measures

international futures regulators beefed up measures that will allow them to share information if there is evidence of market reactions. tion or "other abusive conduct". The expansion of the previous. declaration on co-operation and supervision of international futures markets and clearing organisation comes as a direct result of the Sumitomo copper scandal.

Under the new agreement, regulators will be able to ask each other, and the exchanges that they oversee, for information if certain events occur. These include evidence of abnormally large. positions being taken on an exchange, or significant backwardstion (the difference between the spot and future prices) in a particular contract. Brooksley Born, chairman of the Commodity Futures Trading Commission, which regulates US futures, said the expanded agreement should provide a "regulatory gateway" and "a mechanism for earlier detection" if markets were being manipulated. Twenty-five countries have signed the agreement. ■ The Chicago Mercantile Exchange, the second largest of the US futures exchanges, and France's Matif have detailed plens for expanding their electronic trading and clearing links. This will broaden the hours during which the two exchanges have acce to each other's products for electronic trading. The French exchange will also adopt the new "Cleaning 21" system being developed by the CME and the New York Mercantile Exchange, with SBF-Paris Bourse, Matth's parent company, being licensed to market the system internationally. Nikki Tait, Boca Raton

**ELECTRONIC TRADING** 

#### Liffe turns down link with DTB

The London International Financial Futures and Options Exchange yesterday reiterated its commitment to building its own electronic trading system, turning down a co-operation offer from its German rival, the Deutsche Terminbörse.

Liffe's decision to embrace electronic trading was announced earlier this month. The system will be based on Connect, a £10m. electronic platform due to be introduced later this year for equityoptions. The exchange will spend another £20m to £25m to make the system capable of trading all its products by autumn 1989:

DTB's offer to implement its trading system at Liffe for free was published yesterday as a full-page advertisement in several newspapers, including the Financial Times. It follows an offer last year by Deutsche Börse, which operates the DTB, for co-operation between the exchanges. That offer was also turned down by Liffe. Liffe yesterday said it preferred to develop its own system. because "the DTB system did not score as highly as others".

The offer, however, is believed to have prompted interest from some institutions that are members of Liffe. In the past year, Liffe. has lost its leadership in German bond futures trading to the DTB, mainly because trading on the electronic German exchange

The DTB is merging with Soffex, the Swiss exchange, into a single market called Eurex. Eurex is also involved in an alliance with Mattif of France and the Chicago Board of Trade, the world's largest derivatives exchange. Samer Iskandar

## **FHLB** raises offer by \$1bn INTERNATIONAL BONDS

By Samer Iskandar

Federal Home Loan Banks, the US mortgage agency, yesterday increased its latest offering of three-year paper

by \$1bn to \$3bn. The new tranche adds liquidity, which is important to get the issue into the 'super-jumbo' league," said an official at ABN Amro, the

lead manager for FHLB. points over equivalent US Treasuries, two basis points more than the initial offer-

by issuing one basis point wider," the official said.

Fannie Mae is the largest US mortgage lender and its mortgage backed bonds are considered the benchmark for such issues.

CADES, the French statebacked entity set up to manage the social security system's debts, launched the second tranche of its multicurrency euro-fungible issue. The DM1.5bn of bonds will merge with last week's Yesterday's tranche was FFr4bn offering into a single priced to yield 16 basis issue after redenomination

into euros next January. J. P. Morgan, lead manager, said the issue was ing. ABN Amro said this unusual in the D-Mark secreflected the general widen- tor due to its long maturity ing of spreads in the dollar but said investors were feelsector since last week. "We ing increasingly comfortable kept the spread relationship with longer-dated issues as versus Fannie Mae constant they offered a good yield

continental Europe.

after last week's Budget," said a syndicate said an official. "Investors can pick up well over 100 basis points compared with German yields, and they are feeling more and more comfortable with sterling at its current levels." Demand for sterling bonds

\*Unitsted. \$Convertible ... \( \psi \) \text{With equity warrants. } \( \) Floating-rate note. \( \) \( \) \text{SemI-arrural coupon. R: \( \) \( \) \text{fixed re-offer price; fises strongly level a) Fungible with \$2bn. +12 days Accured. \( \) \( \) \( \) Legel maturity 15/05/11. \( \) \( \) Fungible with \$550rm Launched 19/03/98. Callable at par from Apr01. \( \) \( \) -mth Libor +30bp.d) Fungible with DM1.5on

ayboged 06/01/98. f1) Priced today.(2) +62bp area (5yrsUST) i) Over interpolated yield. I) Long 1st coupon, s) Short 1st

"There has been increased has caused yield spreads on

demand for sterling assets existing issues to tighten by

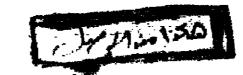
Other bankers said the pricing was "on the tight side", with some unsold bonds remaining on the underwriters' books, but Barclays said Halifax had a strong UK

3 to 5 basis points since last

Tuesday's UK Budget.

versus	Fanni	e M	ae co	nstan	t they	offer	ed a	good	yield	contine	ntal Eı	rope.		Der	nand for	· sterlii	ng bond
WOR	D B	ON	) Pi	RICES			•				11.12					3.11	-
WOIL	. <i></i>	UN	, ,	1101-0										P. 1.3.14			
BENCH	MAR	K (	GOVE	RNM	ent b	ONDS	i			BOND	FUTU	RES A	ND OF	PTIONS	}		
U 02		Red Date	Coup	Bild ge Prica		Day chg		Mosth	Year	France							
iter 23 Lucinije		04/00	7.0			+0.02	yield	chg yid -0.14	<u>cbg ykż</u> –1.80			DOWN 1707	<b></b>				
		10/07	10.0				-0.02	-0.04	-2.28	<b>ROTICALA</b>						Set	<b>^-</b> 1-1
جاجيما		09/99	7.0				+0.10	+0.04	+0.03	Jun	Open 103.96	Sett price 103.77	Change	High 104 02	Low 103.95	Est. vol. 27.528	Open int. 115,745
		07/07	5.6				+0.01	-0.09	-0.87	Sep	103.51	103.77	=	103.51	103.51	21,325	76
leighau		01/00 03/07	4.0 6.2				*+0.05	+0.05 -0.08	+0.18 -1.07								•
anada		09/99	4.7				-0.02	-0.11	+0.27	TONG TE				P)			
		08/07	7.2	50 113.5	700 5.35	+0.02		-0.07	-1.26	Strike Price	An		LLS Lay	Jun	Aor	PUTS	
lenmark.		12/99 11/07	6.0 7.0				+0.12	+0.16	+0.03	102	20		-	2.29	001	0.12	0.25
intered .		01/99	11.00				+0.02	+0.04	-0.15	103 104	1.1			1.52	0.07 0.33	0.30 0.64	0.48
		04/06	7.2				+0.02	-0.10	-1.42	105	0.0			0.90 0 47	1.01	1.23	0. <b>8</b> 6 1.41
TERCO		000.00	4.00			+8,01	+0.12	+0.09	+0.18	Ed we steel (	Calls 6.635	Pals 13,773 Pr	reine says o	pen Int., Calls, I	67,127 Pals 624	386	
		10/04 10/07	6.75 5.50				+0.03 +0.02	-0.05 -0.08	-0.75 -0.89								
		10/25	5.0				+0.01	-0.10	-1.21		_						
CHARLES !		09/99	4.00				+0.09	+0.06	+0.13	Germany							
		11/04 07/07	7.50 6.00				+0.03	-0.03 -0.08	-0.77 -0.95	MUITURA					0 100ths of 1		
		97 <i>1</i> 27	6.50				-	-0.11	-1.25		Open	Sett price	•	High	LOW	Est vol	Open int.
<del>طسام</del>		1498	6.2				+0.07	-0.28	-1.58	Jun Seo	107.57	107.58 107.20	-0.10 -0.10	107.69	107.43	79700 8	208553 492
		08/06	8.00				+0.01	-0.16	-1.89	•							
m'y		25/00 15/02	6.25				-0.02	-0.21 -0.17	-2.79 -2.69	B BURD FU	TURIES OF	nous (Liffe	) DM250.00	O points of 1	00%		
		77A)7	6.75	0 11210	000 5.09		-0.03	-0.20	-2.66	Strike			ULS			PUTS	
		1/26	7.25				-0.04	-0.21	-2.98	Price	Apr	May		-	pr Many	Jua	Sep
Sp <b>e</b> rr		13/00 12/02	6.40 4.80				10 D- 10.03-	-0.14 -0.15	-0.19 -0.58	10750 10860	0.14 0.01			.09 0.0 186 0.4		0.70 0.95	1.39 1.66
	Ċ	19/05	3.00	0 110.13	00 1.58	-0.04	-	-0.15	-0.75	10850	0	0.17	0.35	.68 3 9	1.09	1.27	1.98
	_	9/17	3.00				-0.03	-0.16	-0.72	Est. vol. lotal,	Calls 9638	Puts 12711. P	repore gal, a	opes ist., Cal	la 236368 Puta	223543	
كسواره فالجا		1/99 12/07	7.50 5.75			-0.03 +0.01	+0.11 +0.01	+0.10 -0.07	+0.08 -0.94								
lear Zayland		2/00	6.50	_			+0.30	+0.21		= HOTTONA	L GERMAN	ERRO (806	L) PUTURE	(OTTE) 0	M250,000 10	Oths oil 100	1%
	1	1/06	8.00	0 106.05	61 7.03	+0.06	+0.20	+0.16	-0.86		Open	Sett price	Change	High	Low	Est. voi	Open int.
a series		1/99	9.00 6.75			-0.07	-0.07	+0.10	+0.11	Jun Seo	105.19	105.20	-	105.24	105.11	58,643	199,341
ortegal	_	11/07 13/99	8.50			-0.04	+0.03	-0.03	-0.96 -2.14	ach	-	105.03	-	-	-	-	550
		207	6.62			+0.02	-0.01	-0.14	-2.14 -1.96								
pado		7/99	7.40			-0.02	+0.04	-0.35	-1.85	M NOTICELAL	. GERMAN	BOBL FUTU	RES (LIFFE)	DM250.000	) 100ths of 16	10%	
<del>_</del>		3407	7.35			+0.07	-0.02	-0 13	-2.14	_	Open	Sett price	Change	High	Low	Est. vol	Open int.
-veden		11/99 18/07	11,00 ELGO			-0.02 +0.03	+0.07 +0.01	+0.08 -0.15	-0.33 -2.07	Jun	-	105.23	+0.04			0	559
ellen brid		3/00	5.00			-0.01	+0 17	+0.37	-0.23	Sep		105.03	+0.04			0	0
	0	6/07	4.50	0 113.50	00 2.81	_	+0.13	+0.08	-0.94	italy							
K	_	6/99 1/04	6.00 6.75				-0.01	+0.04	-0.29	ROTIONAL			<u> </u>				
	1	2/07	7.25	0 109.71		+0.01 +0.01	+0.01	-0.02 -0.04	-1.44 -1.68	Jun	Open 119.35	Sett price 119.39	Change	High	Low 119.26	Est. voi 23632	Open Int. 137861
		621	8.00			+0.01	+0_01	-0.06	-1.56	Sap	118.33	119.71	-0.10 -0.10	119,49	118.20	0	5207
5		0/99 1/04	5.62 7.87			_	+0.04 +0.02	+0.12 +0.06	-0.74 -0.98								
	0	8/07	6.12	5 103.45	30 5.64	_	+0.03	+0.04	-1.11	TALIAN 6	OVT. BOM	(BTP) FUT	URES OPTIC	MAS (LIFTE)	in200m 100	this of 100°	%
		<b>8/27</b>	6.37			-0.01	40,03	+0.01	-1.05	Strike Price		CAI May	ali Jun		May	Pets —	Jun .
21		1/00 4/07	4.00 5.50			-0.02 +0.02	+0.03 +0.01	-0.13 -0.11	-0.41 -1.29	11900		83	1.04		0.44	1	0.65
nden disting.	Time York		٧.			Shares	: lettración	Data/FT is	inmetre:	11950	0	.55	0.75		0.66	- 1	0.86
elde: Local re est peyable by	riest atomá nonrealde	est/Acc sts.	estant y	feld basts. '	Fleitis shower i	or haly each	يفائد ش	ding be at	125 per	12000 Est. vol. 104sl, (		.33 hata 1460 Pro	0.50 1.50 marks	nen lat Calls	8.94 57101 Puls 12		1.11
				. B.L.	****												
UYEA	K RI				SPREA	US				<b>Spain</b>							
		Bid	Spread EV	Spread			Elid	Spread VS	Spread VS		SPANISH	BOND FOTO	ROES (METT)				
er 23	Y	leid	Bunda	T-Bonds			Yield		T-Bonds		Open	Sett price	Change	High	Low	Est. vol.	Coso Int.
ustralia. Ustria		i.77 1.95	+0.90 +0.08	+0.19		land	7.03	+2.16	+1.45	Jun	109,17	109.17	-0.09	109.20	108.99	44.920	102,910
elgium	4	1.96	+0.09	-0.63 -0.62	Portugal		5.18 5.02	+0.31 +0.15	-0.40 -0.56	Sep	~	108.69	-	-	-	-	-
enade Brimark		i.35 i.14	+0.48 +0.27	-0.23 -0.44	Spain Sweden		5.01 5.30	+0.14	-0.57	UK							
ntand	4	.87	_	-0.71	Switzerta	ad	2.83	+0.43 -2.04	-0.26 -2.75		. 5 YEAR 6	AT FUICINE	S (UPTE) E1	00,000 100	ts of 100%		
ance Biliany		L90 L87	+0.03	-0.68 -0.71	uk Us		5.92 5.58	+1.05 +0.71	+0.34		Open	Sett price	Change	High	LOW	Est. vol	Open Int.
siana .	5	i.03	+0.16	-0.55	BCU		4.94	+0.07	-0.64	Jun Sau	102.51	102.49 103.64	-0.02 -0.02	102.51	102.48	651 0 .	11381 0
siy Hour		.09 .56	+0.22	-0.49 -4.02		isache (la sing. " Nec				NE NOTIONAL	OK GELT I			0 32nds of	100%	٧.	•
etheriends		<b>.8</b> 5	-0.02	-0.73		yield track		_			Ореп	Sett price	Chence	13gh	Low	Est. vol	Open Int.
MERG	ing i	MΑ	RKE	L BÓI	NDS					Mar		125-30	-0-06			6	432
	_				-		Day's	Mth's	Sprd	Jun	106-01	108-02	-0-04	108-08	107-29	35092	204447
ar 23	Red date	Cou		S&P Ration	Bid. Unice	Bid yleid	chge ytd	chge yid	VS US								
E BROPE			F.J.		· · · · ·	,	⋰.					ANTIFE -	1000 pero ~	W CAR* .	10/06		
C4 3	02/02		7.000		97.1375	7.86	-0.05	-0.48	+2.32		TWINNES			w o⊷ang 04 .			
dend	07/04		7.125	288-	102.5410	6.62	+0.02	-0.01	+1.05	Strike Price	Apr	May CAL		or Ma		POIS	
<b>1530)</b>	06/07 			BB-	96.2500	10.62	+0.01	-0.92	+5.04	100	-						
								.· 		108 109	0-12 0-01		-03 0+ -39 0+				
genera Genera	09/27 05/27		9.750 10.125	266 666	100.000¢ 99,8800	9.74 10.14	-0.06 -0.03	-0.16 -0.29	+3.87 +4.27	110	0	0-09 0	-21 1-	50 2-05	2-17		
EGCO	05/26	1	1.500	.98	124.0000	9.10	-0.09	-0.23	+3.24	Est with them, C	aalis 640 Per	# 440L Presto	az alay's open	be, Cale 48	017 Puls 3029	•	
ASIA .	37:54 °		::::							US							
ina .	07/06		7.750		105.2385	8.89	-0.05	-0.16	+1.32	US TREAS	BESY BOHO	FUTURES (C	281) \$100,0	00 32nds of	100%		
illipoines	10/16		6.75D ·		86.2838	9.17	-0.03	+0.08	+3.47								

Ecu							INTE	RNATI	ONAL	L BON	DS				٠	· - :	
ECO BOND FUTBRE							Mar 23	•	Red		S & P Ration	BM price	BM TM	Day's chiga ski	Mich's chige ski	Spreed 4 Confs	<u>.</u>
Open 103.58	Sett price 103.58	-0.16 1	19ga 03.60	LOW 103.56	Estvol ( 81	)pen kat 5,910		D COM	02/07		· . · .	105.8900	4.91	+0.01	-0.06	+0.11	. <u></u> .
US CORPOR	ATE BO	ADS.	٠.	Da	y's Milis	Spret	Spein Philip Mo	mis ·	. 01/07 09/04	5.750	AA	105.4600 101.8800	4.96 5.00	+0.01	-0.08 -0.10	+0.15	· . \ : :
Mar 20	Red date Coupn	S&P Resing	Bld price		age cage yid yid		Pintand P		08/02	3.570		100.6944	3.94	-0.01	+0.01	0.36	÷.
■ STRUMES Pac Bell (	77/02 7.25	AA- 10		6.05 +O.	_	+0.48	Austria Abbey Na	t	01/04 02/04	6.000		104.1800 106.1700	4.56 4.77	+0.01	-0,04 -0.04	+8.12 +0.23	:
	08/25 7.00 05/08 8.00		9.4939 1.1268	7.04 +0. 6.48 +0.	01 +0.08	. +1,14	Cred Food SCIF FRIN		02/04 12/01	9.125 3.625	AA-	120.6400 99.8842	5.00 4.13	+0.01	-0.13 +0.02	-0.02 -0.02	:-::
SE FRANCIALS GEOC 0		AAA 11		 6.14	- +0.11	+0.48	AB .		02/07	7.000		11 <b>3.000</b> 0	5.14	+0.01	-0.13	+0.13	: :: //g
Banc One 6	08/02 7.25	A+ . 10		6.16 +0. 6.44 +0.	.01 +0.17	+0.59	Abbey Na Walt Disn EIB FRIN		02/02 06/00 03/01		A	186.8500 107.7000 100.2564	4.83 4.89	+0.04	-0.12 -0.26	+0.25 +0.50	
EL EXCUSTRUALS WAX Tech 8	·	BBB 10	0.0329	6.21 +0.	03 +0.09	+8.21	華 田田	) ž	. >	14 F.	5-0		4.31	-0.01	0 <i>2</i> 7	<u>-0.16</u>	
Wal Mart 0	5/02 6.75	AA 10	25174	6.05 +0. 6.92 +0.	02 +0.26	+0.48	EIB Dreadner British Ga		12/07 12/07 03/00	7.625 7.7 <b>5</b> 0 7.625	<b>AA</b> -	110.2523 107.1168 101.0597	6.18 6.72 7.04	-0.05 -0.05 +0.01	-0.06 -0.06	+9.21 +9.25	•
M ASPICIES 0					-	e e e	Abbey Na	FFIN	02/02	7.713		100.0347	6.18	+0.01	+0.03	+8.35 -0.16	
SLMA 0	24/07 7.14 23/00 7.50 22/18 8.95	N/A 183	3.3089	5.91 +0. 5.69 +0. 6.19 +0.	01 +0.19	+0.25 +0.19 +0.29	ESS ARM AUTO		04/07 06/07	7.250 7.125		 108.6857 105.3360	5.96 6.35	+0.03	+0.07	-9.40	
	6406 8.95		0.0004	5.84 -0.	06 +0.04	+0.18	Quebec Citicorp Fi		01/07 02/04	7.000 5.734		104.4045 99.4722	6.34 5.84	+0.04 +0.05	+0.02 +0.01 -0.21	+0.77 - +0.76 +0.27	`
Stone Cont B	12/01 9.88 12/01 9.13		1.5000	-1 - 12 -1 0.00 0.00	:ಬ.ಶಾಶ ===================================	:#V. _	Payer L-E		08/04	9.500		119.7330	571	+0.01			
Pacatta. 0	8/04 10.75	B- 95	2.5000	0.00			Toronto Bell Canac	ta.	05/04 07/99	8.500 10.625	AA+ 1	14,5792 106,1918	5.63 5.52	+0.01 +0.01	-0.03 -0.05 -0.08	+0.27 +0.19 +1.02	• • •
US INTERES			<u>.</u> 5	uret digi	abe Debaff i		Deutsche i	18		5.875		101.5824	5.47	+0.01	+0.04	+0.13	:
Latest	· maig		ury Alle s	und Bond Y	/letrie	<del>.</del>	World Ban Spain Cred Span	•	03/02	5.250 5.750	AA 1	16.7278 118.3500	0.96 1.03	-0.04 -0.02	-0.22 -0.17	+0.16 +0.23	
Prime rate	Case no 6½ Topo m	ontia	_ :	Two year . Three year		_ 5.53 _ 5.53	Cred Fond Italy FRIN		08/02 07/99	4.750 0.797		13,5015 100,3321	1.53 0.16	-0.04 -0.08	-0.16 -0.24	+0.73 -0.06	77
Broker loan rate Fed.tends Fed.funds at intervention	74 Three i 54 Skind - Gae ye	nii	5.17 5.26 5.35	Fixe year . 10-year 30-year		- 5.57 5.59 5.91	London clas Standard &		gs Yielder	Local predict	Standard/A	musiked ba	Source.	luteracine	Cata/FT to	loranden -	٠. :
UK BONDS		:											_				₩ .* •
FTSE Actuarie	es Govt.	Securitie	es		-								-				
Price indices UK GERs	Mon Mer 23	Day's change %	fri Mar 20	Accorate				Low comp			edium co 23 Mar	<b>opos yield</b> 20 Yr. s		High co	K Ind	<b>H</b> ' :	· ·
***	- L				st yte	,											•
1 Up to 5 years (19) 2 5-15 years (20)	119.77 163.04	9.00 -0.07	119.77 163.16	1.B 3.0	8 2 1 1.	73 5 yrs	6.				2 6.2	7.19	6.5	24 6	.24	7.23	_
1 Up to 5 years (19) 2 5-15 years (20) 3 Over 15 years (5) 4 irredeemables (4)	119.77 163.04 201.23 252.05	-0.07 -0.16 0.54	163.16 201.55 251.59	1.8 3.0 2.6 3.5	8 2 1 1. 8 1. 7 1.	73 5 yrs 70 15 yr 99 20 yr 96 inred	6. 19 5. 18 5.	87 5,8 87 5.8	96 7.1 96 7.1	61 5.9 69 5.8	2 6.2 1 5.8	7.19 9 7.61	6.	24 6 01 6	24		
1 Up to 5 years (19) 2 5-15 years (20) 3 Over 15 years (5)	119.77 163.04 201.23	-0.07 -0.16	163.16 201.55	1.B 3.0 2.6	8 2 1 1. 8 1. 7 1.	73 5 yrs 70 15 yr 99 20 yr 96 inred	6. 6. rs 5. rs 5. † 6.	67 5,8 67 5.8 00 6.0	86 7. 36 7. 34 7. 36 7.	61 5.9 69 5.8 77	2 5.2 1 5.8 9 5.8	7.19 9 7.61	6. 6.	24 6 01 6 00 6	24	7.23 7.53	
1 Up to 5 years (19) 2 5-15 years (20) 3 Over 15 years (3) 4 tradeomables (4) 5 All stocks (48) Index-linked 6 Up to 5 years (2)	119.77 163.04 201.23 252.05 154.89	-0.07 -0.16 0.54 -0.06	163.16 201.55 251.59 154.99	1.8 3.0 2.8 3.5 2.5	8 2. 1 1. 8 1. 7 1. 3 2.	73 5 yrs 70 15 yrs 99 20 yr 96 irred. 26	6. 6. 75 5. 75 6. 75 6. 75 75 6. 75 75 8. 75 75 8. 75 75 8. 75 75 8. 75 75 8. 75 75 8. 75 75 8. 75 75 8. 75 75 8. 75 75 8. 75 75 8. 75 75 8. 75 75 8. 75 75 8. 75 75 8. 75 75 8. 75 75 8. 75 75 75 8. 75 75 75 8. 75 75 75 8. 75 75 75 75 8. 75 75 75 75 8. 75 75 75 75 75 75 75 75 75 75 75 75 75	87 5.8 87 5.8 90 6.0 	86 7. 36 7. 34 7. 36 7.	61 5.9 69 5.8	2 6.2 1 5.8 9 5.8	1 7.19 9 7.61 7 7.54 - Inflation	6. 6. 10% —	24 6 01 6 00 6	24	7.23 7.53	
1 Up to 5 years (19) 2 5-15 years (20) 3 Over 15 years (20) 4 Irredeemables (4) 5 All stockes (46) 6 Up to 5 years (2) 7 Over 5 years (70) 8 All stocks (12)	119.77 163.04 201.23 252.05 154.89 214.54 221.98 220.13	-0.07 -0.16 0.54 -0.06 -0.00 -0.04 -0.04	163.16 201.55 251.59 154.99 214.54 222.08 220.22	1.8 3.0 2.6 3.5 2.5 0.72 1.36 1.30	8 2. 1 1. 8 1. 7 1. 3 2. 2.2 1.8	73 5 yrs 70 15 yr 99 20 yr 96 inred. 26 Up to 5 Over	6 6. 13 5. 15 5. 1 5 yrs 5 yrs	87 5.8 87 5.8 90 6.0 	96 7. 96 7. 94 7. 10m 97% — 12m 20 Y 2.77 2.88	61 5.9 69 5.8 77 7. ago 3.25 3.54	2 6.2 1 5.8 9 5.8	7.19 9 7.61 7 7.54 - Indication II 23 Mar	6. 6. 6.	24 6 01 6 00 6	24	7.23 7.53	
1 Up to 5 years (19) 2 5-15 years (20) 3 Over 15 years (20) 4 Irrodemables (4) 5 All stocks (46) 6 Up to 5 years (2) 7 Over 5 years (70) 8 All stocks (12) Average gross extemption years	119.77 183.04 201.23 252.05 154.89 214.54 221.99 220.13	-0.07 -0.16 0.54 -0.06 -0.00 -0.04 -0.04	163.16 201.55 251.59 154.99 214.54 222.08 220.22	1.8 3.0 2.6 3.5 2.5 0.72 1.36 1.30	8 2. 1 1. 8 1. 7 1. 3 2. 2.2 1.8	73 5 yrs 70 15 yr 99 20 yr 96 inred. 26 Up to 5 Over	6 6. 13 5. 15 5. 1 5 yrs 5 yrs	87 5.8 87 5.8 90 6.0 	96 7. 96 7. 94 7. 10m 97% — 12m 20 Y 2.77 2.88	61 5.9 69 5.8 77 7. ago 3.25 3.54	2 6.2 1 5.8 9 5.8	7.19 9 7.61 7 7.54 - Indiadion 1 23 Min	10% — 20 Yr	24 6 01 6 00 6	24	7.23 7.53	
1 Up to 5 years (19) 2 5-15 years (20) 3 Over 15 years (20) 4 Irredementales (4) 5 Alf stocks (46) 6 Up to 5 years (2) 7 Over 5 years (10) 8 Alf stocks (12) Average gross endomption (4) FT Fixed Interest	119.77 183.04 201.23 252.05 154.89 214.54 221.99 220.13	-0.07 -0.16 0.54 -0.06 -0.00 -0.04 -0.04	163.16 201.55 251.59 154.99 214.54 222.08 220.22 der Lour. 0%-	1.8 3.0 2.6 3.5 2.5 0.72 1.36 1.30	2.24 1 1.8 8 1.7 7 1.3 3 2.4 1.8 1.8 1.8	73 5 yrs 70 15 yr 99 20 yr 96 inred. 26 Up to 5 Over	6 6. 13 5. 15 5. 1 5 yrs 5 yrs	87 5.8 87 5.8 90 6.0 	96 7. 96 7. 94 7. 10m 97% — 12m 20 Y 2.77 2.88	61 5.8 69 5.8 77 7. ago 3.25 3.54	2 6.2 1 5.8 9 5.8 	7.167 9 7.61 7 7.54 — Inflations 1.96 1 2.67 2	10% — 10% — 20 Yr	24 6 01 6 00 6 . ago 2.59 -	i.24 i.04 i.03	7.23 7.53 7.54	
1 Up to 5 years (19) 2 5-15 years (20) 3 Over 15 years (20) 4 tradecembables (4) 5 All stocks (48) Index-linked 6 Up to 5 years (2) 7 Over 5 years (2) 7 Over 5 years (7) 8 All stocks (12) Average gross extemplion years FT Fixed Interest	119.77 183.04 201.23 252.05 154.89 214.54 221.99 220.13 lebis are shown ab	-0.07 -0.16 -0.54 -0.08 -0.04 -0.04 -0.04 me. Coupon Bas liter 19 Me	201.55 201.55 251.59 154.99 214.54 222.08 220.22 dar Lour. 093- rr 18 Mar 4.22 104.1	1.8 3.0 2.8 3.5 2.5 0.72 1.36 1.30 7.74 Medical 17 W ago	22 22 22 23 18 11 23 22 23 18 18 18 19 19 19 19 19 19 19 19 19 19 19 19 19	73 5 ym 70 15 yn 99 20 yn 96 imed. 26 Up to 1 Over 1 High: 11%	Fixed integral	87 5.8 87 5.8 900 6.0 — Indiath fer 23 M 2.78 2.88 2.88	86 7.1 36 7.1 34 7.1 1an 576 — 1ar 20 Y 2.77 2.88 Feer to data	61 5.9 69 5.8 77	2 6.2 1 5.8 9 5.8  Ma	7.161 9 7.61 7 7.54 1 1.96 1 1.96 2	10% — 10% — 20 Yo	24 6 00 6 00 6 . ago 2.59 - 3.36	i.24 i.04 i.03	7.28 7.53	
1 Up to 5 years (19) 2 5-15 years (20) 3 Over 15 years (20) 4 Irrodeemables (4) 5 Alf stocks (46) 6 Up to 5 years (2) 7 Over 5 years (70) 8 Alf stocks (12) Average gross endoughtes years	119.77 183.04 201.23 252.05 154.89 214.54 221.99 220.13 libide are shown ab ti Intellices Marr 23 Marr 20 1004.13 104.19 998. Am rights resells, saw 50.53 (23	-0.07 -0.16 -0.54 -0.08 -0.04 -0.04 -0.04 me. Coupon Bas liter 19 Me	201.55 201.55 251.59 154.99 214.54 222.08 220.22 dar Lour. 093- rr 18 Mar 4.22 104.1	1.8 3.0 2.8 3.5 2.5 0.72 1.36 1.30 7.74 Medical 17 W ago	22 22 22 23 18 11 23 22 23 18 18 18 19 19 19 19 19 19 19 19 19 19 19 19 19	73 5 ym 70 15 yn 99 20 yn 96 imed. 26 Up to 1 Over 1 High: 11%	Fixed integral	87 5.8 87 5.8 900 6.0 — Indiath fer 23 M 2.78 2.88 2.88	86 7.1 36 7.1 34 7.1 1an 576 — 1ar 20 Y 2.77 2.88 Feer to data	61 5.9 69 5.8 77	2 6.2 1 5.8 9 5.8  Ma	7.161 9 7.61 7 7.54 1 1.96 1 1.96 2	10% — 10% — 20 Yo	24 6 00 6 00 6 . ago 2.59 - 3.36	i.24 i.04 i.03	7.23 7.53 7.54	
1 Up to 5 years (15) 2 5-15 years (20) 3 Over 15 years (20) 4 Irrodosmobies (4) 5 All stocks (46) Indox-linked 6 Up to 5 years (2) 7 Over 5 years (10) 8 All stocks (12) Average gross extemplion of ET Fixed Interest Coret. Secs. (480) 1 O FISE interests (14) O FISE interests (14) UK GILTS [	119.77 163.04 201.23 252.05 154.89 214.54 221.99 220.13 letts are shown ab	-0.07 -0.16 -0.54 -0.06 -0.04 -0.04 -0.04 we. Coupon Best 103.80 10 inved. * for 159 11775, Sealer 10	201.55 201.55 251.59 154.99 214.54 222.08 220.22 dar Lour. 093- rr 18 Mar 4.22 104.1	1.8 3.0 2.8 3.5 2.5 0.72 1.36 1.30 7.74 Medical 17 W ago	22 22 22 23 18 11 23 22 23 18 18 18 19 19 19 19 19 19 19 19 19 19 19 19 19	73 5 yrs 70 15 yrs 99 20 yrs 99 imed. 26 Over High: 11%	6.   5.   5.   5.   6.   6.   6.   6.	87 5.8 87 5.8 900 6.0 — Instituti facer 23 Mc 2.78 2.88 2.88 14 yield. yild Yil 1/53, how 4 1/54, how on the produces on	86 7.1 86 7.1 104 7.1 10m 97% — 12m 20 Y 2.77 2.88 16m 23 140,59 10.18 (024) 10.18 (024) 10.18 (024) 10.18 (024)	61 5.9 69 5.8 77	2 6.2 1 5.8 9 5.8  Ma	7.161 9 7.61 7 7.54 1 1.96 1 1.96 2	10% — 10% — 20 Yo	24 6 00 6 00 6 . ago 2.59 - 3.36	i.24 i.04 i.03	7.23 7.53 7.54	
1 Up to 5 years (19) 2 5-15 years (20) 3 Over 15 years (20) 3 Over 15 years (20) 4 Irredeemables (4) 5 All stocks (46) button-linked 6 Up to 5 years (2) 7 Over 5 years (10) 8 All stocks (12) Average gross endomption years FT Fixed Interest Garet. Secs. (MIC) 0 FTSE integrational Left is complished in 140,98 (1900) UK GILTS Notes Shorts* (Lives up to Pine Ye	119.77 163.04 201.23 252.05 154.89 214.54 221.99 220.13 leide are shown ab 1 Indices Mar 23 Mar 20 1004.13 104.19 998. As rights reveal 101. Are 50.63 gas 101. Are 50.63 gas 101. Are 60.63	-0.07 -0.16 -0.54 -0.06 -0.00 -0.04 -0.04 -0.04 -0.05 ider 19 lide 103.80 10 smed. * for 199	163.16 207.59 271.59 154.99 154.99 214.54 222.08 220.22 de Low. 0%- 18 liter 4.22 104. 7796. Green in Greenman,	1.8 3.0 2.8 3.5 2.5 2.5 1.36 1.30 7.74%; Medico 17 W ago 17 99.11	8 2.1 1 1.8 1 1.8 7 1.3 3 2.1 1.8 1 1.8 1 1.9 1 1.8 1 1.8 1 1.8 1 104.51 1 104.51 1 104.51 1 104.51	73 5 yrs 70 15 yr 90 20 yr 96 imed. 36 Over 1 High: 11%	Fixed Intest 122.0 Seath Fixed Intest 122.0 Se	87 5.8 87 5.8 900 6.0 — Indiath for 23 Md 2.78 2.88 2.88 2.88 2.88 2.88 2.88 2.88	86 7.1 86 7.1 94 7.1 lar 75% — lar 20 Y 2.277 2.88 liter 23 140.59 9.18 (00.07) 252 (00.07) 52 (00.07) 1.50 1.50 1.50 1.50 1.50 1.50 1.50 1.50	61 5.9 677 5.8 77 ago 3.25 3.54 Mar 20 140.60 1/76), Reed if	2 6.2 1 5.8 9 5.8 Mar 19 1440.88 1 1440.88 1 1040.88 1 1	7.167.7.54 7.619.7.54 7.7.54 1.96 1 2.67 2	6. 6. 6. 10% — 120 Yr 17 17 19 10 10 10 10 10 10 10 10 10 10 10 10 10	24 6 00 6 00 6 . ago 2.59 - 3.36	i.24 1.04 1.03 1iigh* 40.98 1	7.23 7.53 7.54	
1 Up to 5 years (15) 2 5-15 years (20) 3 Over 15 years (20) 4 Irredeemables (4) 5 All stocks (46) Index-linked 6 Up to 5 years (2) 7 Over 5 years (10) 8 All stocks (12) Average gross extemption of FT Fixed Interest Cover. Secs. (48) 1 O FTSE interestoral List 11 complishes: 140.56 (1800.5) UK GILTS INTEREST (1800.5) INDEX (1800.5) IND	119.77 183.04 201.23 252.05 154.89 214.54 221.99 220.13 leids are shown ab leids are shown ab leids are shown ab leids are shown ab	-0.07 -0.18 -0.54 -0.06 -0.04 -0.04 -0.04 -0.04 -0.04 -0.05 -0.05 -0.05 -0.05 -0.05 -0.06	163.16 201.59 251.59 154.99 214.54 222.08 220.22 dar Lour. 074- 18 Mar. 4.22 104.798. Govern 2. Soventier.	1.8 3.0 2.5 3.5 2.5 2.5 2.5 2.5 2.5 2.5 2.5 2.5 2.5 2	8 2.1 1 1.8 1 1.8 7 1.3 3 2.1 1.8 1 1.9 1 1.8 1 1.9 1 1.8 1 1.9 1	73 5 yrs 70 15 yr 90 20 yr 96 imed. 26 Up to 5 Over 83.31 completion had interest	5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5	87 5.8 87 5.8 90 6.0 90 6.0 2.78 2.78 2.88 4 yeld. yeld ye	36 7.1 36 7.1 37 7.1 38 7.2 38 7.2 39 8 7.2 39 8 7.2 30 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9	61 5.9 697 5.8 7. ago 3.25 3.54 Mar 20 140.50 1/79). Fixed 14	2 6.2 1 5.8 9 5.8 Max 19 1 140.88 1 Max 19 1	7.169 7.619 7.549 7.549 7.549 1.96 1 2.67 2 1.93 14 19 18 19 18 18 18 18 18 18 18 18 18 18 18 18 18	6. 6. 6. 6. 6. 6. 6. 6. 6. 6. 6. 6. 6. 6	24 601 8000 6000 6000 6000 6000 6000 6000	124 104 103 1697 40.98 1	7.23 7.53 7.54	
1 Up to 5 years (19) 2 5-15 years (20) 3 Over 15 years (20) 3 Over 15 years (20) 4 tradecembables (4) 5 All stocks (48) budge-linked 6 Up to 5 years (2) 7 Over 5 years (70) 8 All stocks (12) Average gross extemplion years (10) 6 over 5 years (10)	119.77 163.04 201.23 252.05 154.89 214.54 221.99 220.13 lettle are shown ab lettle are	-0.07 -0.16 -0.54 -0.06 -0.06 -0.04 -0.04 -0.04 -0.05 -0.07 -0.04 -0.05	163.16 207.59 251.59 154.99 154.99 220.22 dar Lour. 074- 18 Mar 18 Mar 1	1.8 3.0 2.8 3.5 2.5 2.5 2.5 2.5 1.30 1.30 1.74 Min seed for the seed f	8 2.1 1.8 1.7 1.8 1.3 2.4 1.8 1.3 2.4 1.8 1.1 1.8 1.1 1.8 1.1 1.8 1.1 1.8 1.1 1.8 1.1 1.8 1.1 1.8 1.1 1.8 1.1 1.1	73 5 ym 70 15 ym 70 15 ym 96 20 ym 96 imed. 36 Over 10 11% 10 11% 10 11%	5 5.75 5.55 5.55 5.55 5.55 5.55 5.55 5.	87 5.8 87 5.8 90 5.0 90 6.0 90	36 7.1 36 7.1 37 7.1 38	61 5.9 677 5.8 77 3.25 3.25 3.54 140.50 1/7a). Reed 1 4 1-3cc 20 1-40.50 1/3cc 101 2-3cc 20 2-3cc 20 2-3cc 20 2-3cc 20 2-3cc 20 2-3cc 20	2 6.2 1 5.8 9 5.8 9 5.8 Mail 19 1 140.88 1 140.88 1 140.88 1	7.169 7.617 7.54  - Instantions 1.23 Mar 18 Mar 18 Mar 18 Mar 18 Mar 14 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	6. 6. 6. 6. 6. 6. 6. 6. 6. 6. 6. 6. 6. 6	24 601 600 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6	124 104 103 163 140.98 1 17.2 19.2 19.2 19.2 19.2	7.23 7.53 7.54 15.32	
1 Up to 5 years (19) 2 5-15 years (20) 3 Over 15 years (20) 3 Over 15 years (20) 4 Irredeemables (4) 5 All stocks (46) Index-linked 6 Up to 5 years (2) 7 Over 5 years (10) 8 All stocks (12) Average years extemplion years (2) FT Fixed Interest Gover, Seco. (480) 1 O FTSE interestoral Left 11 compliation: 140.98 (1900.49 UK GILTS INTEREST (1908.1901.1901.1901.1901.1901.1901.1901.	119.77 163.04 201.23 252.05 154.89 214.54 221.99 220.13 214.54 221.99 220.13 1646 are shown ab 1676.688 Mar 23 Mar 20 104.13 104.19 PRICES  PRICES  188 20 104.13 104.19 11.63 8.99 1 12.97 7.58 1 17.55 7.55 1 11.63 8.99 1 11.63 8.99 1 11.63 8.99 1 11.63 8.99 1 11.63 8.99 1 11.63 8.99 1 11.63 8.99 1 11.63 8.99 1 11.63 8.99 1 11.63 8.98 1 11.63 8.98 1 11.63 8.98 1 11.63 8.98 1 11.63 8.98 1 11.63 8.98 1 11.63 8.98 1 11.63 8.98 1 11.63 8.98 1 11.63 8.98 1 11.63 8.98 1 11.63 8.98 1 11.63 8.98 1 11.63 8.98 1 11.63 8.98 1	-0.07 -0.16 -0.54 -0.06 -0.06 -0.04 -0.04 -0.04 -0.04 -0.05	163.16 201.59 201.59 154.39 154.39 154.39 154.39 154.39 154.39 154.30 15	1.8 3.0 2.6 3.5 2.5 2.5 2.5 2.5 2.5 2.5 2.5 2.5 2.5 2	8 2.1 1.8 1.7 1.8 1.3 2.1 1.8 1.3 2.1 1.8 1.3 2.1 1.8 1.3 2.1 1.8 1.3 2.1 1.8 1.3 1.3 2.1 1.8 1.3 1.3 1.3 1.3 1.3 1.3 1.3 1.3 1.3 1.3	73 5 yrs 70 15 yr 96 20 yr 96 imed. 26 Vp to 5 Over 10.15 23.31 completion 10.15 8.38 8.04 8.04 8.04 8.04 8.03	5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5	87 5.8 87 5.8 80 5.8 90 6.0 90 6.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1	1122   1245	6f 5.9 667 5.8 77 ago 3.25 3.54 http://doi.org/10.100/10.100 1.25 10.100 1.25	2 6.2 1 5.8 9 5.8 Mar 19 140.88 1 140.88 1 140.88 1 140.88 1 140.88 1 140.88 1	7.169 7.619 7.54 7.754  - Indications 123 Mean 12 1.96 1 2.67 2  Mar 18 Mar 18 Mar 18 Mar 18 Mar 18 Mar 19 1.93 1.41 1.93 1.43 1.43 1.43 1.43 1.43 1.43 1.43 1.4	6.6.6.6.6.6.6.6.6.6.6.6.6.6.6.6.6.6.6.	24 6 01 6 00 6	124 104 103 103 140 140 140 151 151 151 151 151 151 151 151 151 15	7.23 7.53 7.54 15.32 1784 1785 11785 11785	
1 Up to 5 years (19) 2 5-15 years (20) 3 Over 15 years (20) 3 Over 15 years (20) 4 Irredeemables (4) 5 All stocks (46) Index-linked 6 Up to 5 years (2) 7 Over 5 years (10) 8 All stocks (12) Average years extemplion years (2) FT Fixed Interest Gover, Seco. (480) 1 O FTSE interestoral Left 11 compliation: 140.98 (1900.49 UK GILTS INTEREST (1908.1901.1901.1901.1901.1901.1901.1901.	119.77 163.04 201.23 252.05 154.89 214.54 221.99 220.13 letts are shown ab letts are shown ab 1. Indicess Mar 23 Mar 20 104.13 104.19 1098. Are replies re- 109. New 50 53 934 197.25 7.55 1 14.86 7.81 10.18 8.86 10.19 8.86	-0.07 -0.16 -0.06 -0.06 -0.04	163.16 207.55 227.59 154.99 154.99 214.54 222.08 220.22 de Low 074 4.22 104.766.60mm or 60-60mm or	1.8 3.0 2.5 3.5 2.5 2.5 2.5 2.5 2.5 2.5 2.5 2.5 2.5 2	8 2.1 1 1.8 1 1.8 7 1.1 8 1.7 7 1.1 8 1.7 1.8 1.8 1.8 1.9 1.8 1.9 1.8 1.9 1.9 1.9 1.9 1.9 1.9 1.9 1.9 1.9 1.9	73 5 777 70 15 77 70 15 77 70 15 77 99 20 77 99 20 77 99 20 77 93.31 00000000000000000000000000000000000	5 5 75 5 75 5 75 5 75 5 75 5 75 5 75 5	87 5.8 87 5.8 80 5.8 80 6.0 80 6.0 80 6.0 80 7.0 80	86 7.1 86 7.1 87 7.1 80	661 5.9 6677 5.8 77 ago 3.25 3.25 3.54 140.50 1/75) Flood 1 2-bpc 13 2-bpc 13	2 6.2 1 5.8 9 5.8 9 5.8 Mare 19 1440.88 1 1440	7.169 7.617 7.54  - Instantionary 7.54  - In	6.6.6.6.6.6.6.6.6.6.6.6.6.6.6.6.6.6.6.	24 601 601 600 60 600 600 600 600 600 600	124 104 103 103 103 107 107 107 107 107 107 107 107	7.23 7.53 7.54 15.32 100-1 187 1176 1176 170-1 1	
1 Up to 5 years (19) 2 5-15 years (20) 3 Over 15 years (20) 3 Over 15 years (20) 4 Irrodosmobies (4) 5 All stocks (46) Indox-linked 6 Up to 5 years (2) 7 Over 5 years (10) 8 All stocks (12) Average gross endomplion of FT Fixed Interest Coret. Secs. (480) 10 FTS Interest (12) 4 Or FTS Interest (12) 4 Or FTS Interest (12) 4 Or FTS Interest (12) 1 Or FTS Interest (13)	119.77 163.04 201.23 252.05 154.89 214.54 221.99 220.13 letts are shown ab letts are shown ab 1. Indicess Mar 23 Mar 20 104.13 104.19 1098. Are replies re- 109. New 50 53 934 197.25 7.55 1 14.86 7.81 10.18 8.86 10.19 8.86	-0.07 -0.16 -0.06 -0.06 -0.04	163.16 207.55 227.59 154.99 154.99 214.54 222.08 220.22 de Low 074 4.22 104.766.60mm or 60-60mm or	1.8 3.0 2.5 3.5 2.5 2.5 2.5 2.5 2.5 2.5 2.5 2.5 2.5 2	2.24 1 1.8 1 1.7 7 1.1 8 1.7 7 1.3 3 2.1 8 1.8 1.8 1.8 1.8 1.8 1.8 1.8 1.8 1.8 1.8	73 5 yrs 70 15 yr 99 20 yr 99 20 yr 99 26 irred. 36 Up to 5 Over 10 Up to 5 Over 10 11% 10.15 8.34 10.15 8.34 7.36 8.36 7.36 8.36 7.36 8.37 7.39 8.30 8.30 7.39 8.30 7.39 8.30 7.39 8.30 7.39	5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5	87 5.8 87 5.8 80 5.8 80 6.0 80 6.0 80 6.0 80 7.0 80	86 7.1 86 7.1 87 7.1 80	661 5.9 667 5.8 77 ago 3.25 3.25 3.54 140.80 1/7s). Flood 1 2/2cc 10 2/2cc	2 6.2 1 5.8 9 5.8 Mar 19 140.88 1 140.88 1 140.88 1 140.88 1 174 135 141 181 181 181 181 181 181 181 181 181	7.169 7.567 7.57 7.54 Mar 18 M	6.6.6.6.6.6.6.6.6.6.6.6.6.6.6.6.6.6.6.	24 6 01 6 00 6 00 6 2.59 3.36 7 app 17.89 1 1903 1259 1259 1259 1303 1903 1903 1903 1903 1903 1903	124 104 103 103 103 103 103 103 103 103 103 103	7.23 7.53 7.54 15.32 179-1, 185-1 170-1, 190	
1 Up to 5 years (15) 2 5-15 years (20) 3 Over 15 years (20) 3 Over 15 years (20) 4 Irrodosmobies (4) 5 All stocks (46) Indox-linked 6 Up to 5 years (2) 7 Over 5 years (10) 8 All stocks (12) Average gross extemplion of FT Fixed Interest Coret. Sucs. (MIC) 10 FTSE interests (10) 10 FTSE interests (10) 11 OF FTSE interests (10) 12 OF FTSE interests (10) 13 OF FTSE interests (10) 14 OF FTSE interests (10) 15 OF FTSE interests (10) 16 OF FTSE interests (10) 17 OF FTSE interests (10) 18	119.77 163.04 201.23 252.05 154.89 214.54 221.99 220.13 letts are shown ab letts are shown ab 17.05 104.13 104.19 108. Are replies represented in Read Principles represented in Read Prin	-0.07 -0.16 -0.06 -0.06 -0.04	163.16 207.59 251.59 154.99 214.54 222.08 220.22 de Low 09- 18 Mar 18 10031 10031 10031 1004 1032 1004 1032 1004 1032 1004 1034 1004 1034 1004 1034 1004 1034 1004 1034 1004 1034 103	1.8 3.0 2.8 3.5 2.5 2.5 2.5 2.5 2.5 2.5 2.5 2.5 2.5 2	8 2. 1 1. 1 1. 7 1. 7 1. 7 1. 7 1. 8 1. 8 1. 7 1. 8 1. 8 1. 9 1. 9 1. 9 1. 9 1. 9 1. 9 1. 9 1. 9	73 5 ym 70 15 ym 90 15 ym 90 15 ym 90 10 ym 90 10 ym 90 10 ym 90 11% 93.31 93.31 10.15 8.30 8.30 8.30 7.30 8.30 9.30 9.30 9.30 9.30 9.30 9.30 9.30 9	Fixed later 5 5 7 18 5	87 5.8 87 5.8 80 5.8 80 6.0 80 6.0 80 6.0 80 7.0 80	86 7.1 86 7.1 87 7.1 80	66 5.9 6877 5.8 6877 5.8 6877 5.8 6877 5.8 6877 5.2 6878	2 6.2 1 5.8 9 5.8 9 5.8 140.88 140.88 140.88 14 (7.4 7.7 7.7 7.7 7.7 9.8 9.8 9.8 9.8 9.8 9.8 9.8 9.8 9.8 9.8	7.16 7.75 7.75 7.75 7.75 1.96 1.96 1.96 1 2.67 2 1.96 1 1.96 1 2.67 2 1.96 2.77 1.96 2.87 1.97 2.88 1.96 2.88 1.96 2.90 1.9 2.88	6. 6. 6. 6. 6. 6. 6. 6. 6. 6. 6. 6. 6. 6	24 6 01 6 00 6 00 6 259 3.36 7 ago 17.89 1 17.89 1 19.62 19.62 19.62 19.63 19.	124 104 103 103 103 103 104 104 104 105 105 105 105 105 105 105 105	7.23 7.53 7.54 15.32 185 185 190 190 190 190 190 190 190 190 190 190	
1 Up to 5 years (19) 2 5-15 years (20) 3 Over 15 years (20) 3 Over 15 years (20) 4 Irrodosmobies (4) 5 All stocks (48) Indox-linked 6 Up to 5 years (2) 7 Over 5 years (10) 8 All stocks (12) Average gross endemplies years FT Fixed Interest Covt. Secs. (BIK) 10 FT Fixed Interest Covt. Secs. (BIK) 10 FT Fixed Interest Interest (1) FT FIXED INTEREST (1) FT	119.77 163.04 201.23 252.05 154.89 214.54 221.99 220.13 245.48 221.99 200.13 1646 are shown ab 1646 are shown ab 1646 are shown ab 1647 23 #8r 20 104.13 104.19 187 50.5 40.3 17.55 187 50.5 40.3 188 60.5 189 11 1.63 189 1	-0.07 -0.16 -0.06 -0.06 -0.06 -0.04	163.16 201.53 251.59 154.99 214.54 222.08 220.22 de Lour 07- 18 Mar 18 M	1.8 3.0 2.9 3.5 2.5 2.5 2.5 2.5 2.5 2.5 2.5 2.5 2.5 2	8 2. 1 1. 1 1. 2 1. 3 2. 1.8 1.7 1. 3 2. 1.8 1.8 1.8 1.8 1.8 1.8 1.8 1.8 1.8 1.	73 5 yrs 70 15 yr 70 15 yr 99 20 yr 99 20 yr 99 20 yr 99 20 yr 10 0ver 10 15 10 15	5.5 yrs 5.5 yrs 5.5 yrs 6.6 yrs 5.5 yrs 6.6 yrs 6.6 yrs 6.6 yrs 6.7 1286 yrs 6.7 12	87 5.8 87 5.8 80 5.8 80 6.0 80 6.0 80 6.0 80 7.0 80	140.59 (17.5 ) (17.5	66 5.9 689 5.8 777 77 78 689 5.8 777 77 77 77 77 77 77 77 77 77 77 77 7	2 6.2 1 5.8 9 5.8 9 5.8 Mar 19 1440.88 1 1440.88 1 1440.	7.16 7.75 7.75 7.75 7.75 7.75 7.75 7.75 7.75	6. 6. 6. 6. 6. 6. 6. 6. 6. 6. 6. 6. 6. 6	24 6 01 6 00 6 00 6 2.59 3.36 7 ago 17.89 1 17.89 1 19.61 19	124 104 103 103 103 103 103 103 103 104 104 105 105 105 105 105 105 105 105	7.23 7.53 7.54 15.32 185 186 186 186 186 186 186 186 186 186 186	
T Up to 5 years (19) 2 5-15 years (20) 3 Over 15 years (20) 3 Over 15 years (20) 4 Irrodosmobies (4) 5 All stocks (46) Indox-linked 6 Up to 5 years (2) 7 Over 5 years (10) 8 All stocks (12) Average gross endemplies yill FT Fixed Interest Convt. Secs. (480) 1 O FISE interestor (12)  Average gross endemplies yill Convt. Secs. (480) 1 O FISE interestor (12)  Will GILTS  Wides Shearts (Lives up to Pher Youngs (19) 1 Trees	119.77 163.04 201.23 252.05 154.89 154.89 214.54 221.99 220.13 1645 are shown ab 1646 care shown ab 1646 care shown ab 1646 care shown ab 1647 care shown ab 1648 care shown ab	-0.07 -0.16 -0.06 -0.06 -0.06 -0.04 -0.04 -0.04 -0.04 -0.05 -0.04	163.16 201.59 201.59 154.99 154.99 154.99 154.99 154.99 154.99 154.99 154.99 154.99 154.99 154.99 155.99 156.99 15	1.8 3.0 3.0 3.0 3.0 3.0 3.0 3.0 3.0 3.0 3.0	88 2.1 1 1.8 1 1.7 7 1.1 7 1.1 7 1.1 7 1.1 8 1.8 1.8 1.8 1.8 1.8 1.8 1.9 1.8 1.8 1.8 1.8 1.8 1.8 1.8 1.8 1.8 1.8	73 5 yrs 70 15 yrs 70 15 yrs 99 20 yrs 99 20 yrs 99 20 yrs 99 20 yrs 10 15 yrs 10 15 8.38 10	Fixed later   Fi	5.8 87 5.8 88 5.8 80	2.77 2.88 (car to data 2.27 2.28 2.88 (car to data 2.27 2.28 2.88 (car to data 2.27 2.28 2.28 2.28 2.28 2.28 2.28	66 5.9 6877 5.8 6877 5.8 6877 5.8 6877 5.8 6877 5.2 6878	2 6.2 1 5.8 9 5.8 9 5.8 Mar 19 1440.88 1 1440.88 1 1440.	7.16 7.75 7.75 7.75 7.75 7.75 7.75 7.75 7.75	6. 6. 6. 6. 6. 6. 6. 6. 6. 6. 6. 6. 6. 6	24 6 01 6 00 6 00 6 2.59 3.36 7 ago 17.89 1 17.89 1 19.61 19	124 104 103 103 103 103 103 103 103 104 104 105 105 105 105 105 105 105 105	7.23 7.53 7.54 15.32 185 186 186 186 186 186 186 186 186 186 186	
T Up to 5 years (19) 2 5-15 years (20) 3 Over 15 years (20) 3 Over 15 years (20) 4 Irrodosmobies (4) 5 All stocks (48) Indox-linked 6 Up to 5 years (2) 7 Over 5 years (7) 8 All stocks (12) Pover 5 years (10) 8 All stocks (12) Average gross endemplies (10) FT Fixed Interest Covt. Secs. (48)  Covt. Secs. (48)  UK GILTS  Notes  Shorts (1)ees up to Phe Ye Trees (1)es	119.77 163.04 201.23 252.05 154.89 154.89 214.54 221.99 220.13 1646 are shown ab 1646 are shown ab 1646 are shown ab 1646 are shown ab 1647 23 #ar 20 104.13 104.19 186 8.80 187 7.50 1 18.50 8.80 18.60 18.	-0.07 -0.16 -0.06 -0.06 -0.04	163.16 201.59 251.59 154.99 154.99 154.99 154.99 154.54 222.08 220.22 104.766 1059 1059 1059 1059 1059 1059 1059 1059	1.8 3.0 2.5 2.5 2.5 2.5 2.5 2.5 2.5 2.5 2.5 2.5	2201 1.8 1.8 1.8 1.8 1.8 1.8 1.8 1.8 1.8 1.	73 5 yrs 70 15 yrs 70 15 yrs 99 20 yrs 99 20 yrs 10 15 yrs 1	5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5	87 5.8 87 5.8	86 7.1 7.1 7.1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	66 5.9 689 5.8 777 77 78 689 5.8 777 77 77 77 77 77 77 77 77 77 77 77 7	2 6.2 1 5.8 9 5.8 9 5.8 Mar 19 1440.88 1 1440.88 1 1440.	7.16 7.75 7.75 7.75 7.75 7.75 7.75 7.75 7.75	6. 6. 6. 6. 6. 6. 6. 6. 6. 6. 6. 6. 6. 6	24 6 01 6 00 6 00 6 2.59 3.36 7 ago 17.89 1 17.89 1 19.61 19	124 104 103 103 103 103 103 103 103 104 104 105 105 105 105 105 105 105 105	7.23 7.53 7.54 15.32 185 186 186 186 186 186 186 186 186 186 186	
T Up to 5 years (19) 2 5-15 years (20) 3 Over 15 years (20) 3 Over 15 years (20) 4 Irrodosmobies (4) 5 All stocks (46) Indox-linked 6 Up to 5 years (2) 7 Over 5 years (10) 8 All stocks (12) Average gross endemplies yill FT Fixed Interest Convt. Secs. (480) 1 O FISE interestors (12)  Average gross endemplies yill Convt. Secs. (480) 1 O FISE interestors (12)  Will GILTS  Wides Sheats* (Lives up to Pher Youngs (19) 1 Trees Page 1996; 1 Trees Page 1996; 1 Trees Page 1996 1 Trees Page 1996 1 Trees Page 1996 1 Trees Page 1996 1 Trees Page 2000 1 Trees	119.77 163.04 201.23 252.05 154.89 154.89 214.54 221.99 220.13 1645 are shown ab 1645 are shown ab 1645 are shown ab 1646 are shown ab 1646 are shown ab 1646 are shown ab 1647 23 & & 20 164.13 164.1	-0.07 -0.16 -0.06 -0.06 -0.04	163.16 201.59 251.59 154.99 154.99 154.99 214.54 222.08 220.22 20.	1.8 3.0 3.0 3.0 3.0 3.0 3.0 3.0 3.0 3.0 3.0	88 2. 11 1. 88 1. 7 1. 13 2. 1.8 1.7 1. 13 2. 1.8 1.8 1.8 1.8 1.9 1.9 1.8 1.8 1.8 1.8 1.8 1.8 1.8 1.8 1.8 1.8	73 5 yrs 70 15 yrs 70 15 yrs 99 20 yrs 99 20 yrs 10 15 yrs 1	6.5 5.5 7	## 5.88	23	61 5.9 667 5.8 677 7 ago 5.8 77 7 ago 3.25 3.54 140.60 140	2 6.2 1 5.8 9 5.8 9 5.8 140.88 140.88 140.88 140.88 140.88 17. 17. 17. 17. 17. 17. 17. 17. 17. 17.	7.16 7.75 7.75 7.75 7.75 7.75 7.75 7.75 7.75	6. 6. 6. 6. 6. 6. 6. 6. 6. 6. 6. 6. 6. 6	24 6 01 6 00 6 00 6 2.59 3.36 7 ago 17.89 1 17.89 1 19.61 19	124 104 103 103 103 103 103 103 103 104 104 105 105 105 105 105 105 105 105	7.23 7.53 7.54 15.32 185 186 186 186 186 186 186 186 186 186 186	
T Up to 5 years (19) 2 5-15 years (20) 3 Over 15 years (20) 3 Over 15 years (20) 4 Irrodosmobies (4) 5 All stocks (46) Indox-linked 6 Up to 5 years (2) 7 Over 5 years (10) 8 All stocks (12) Average gross endomplion of FT Fixed Interest Coret. Secs. (480) 1 O FISE Interestor (12)  Average gross endomplion of Coret. Secs. (480) 1 O FISE Interestor (12)  William (12) 1 O FISE Interestor (12)  William (13) 1 O FISE Interestor (12)  William (14) 1 O FISE Interestor (12)  William (15) 1 O FISE Interestor (12)  Interestor (15) 1 O FISE Interestor (12) 1 O FISE Interestor (13) 1 O FISE Interestor	119.77 163.04 201.23 252.05 252.05 154.89 214.54 221.99 220.13 1646 are shown ab 164	-0.07 -0.154 -0.06 -0.06 -0.04 -0.04 to 199 103.80 10 -0.04 to 199 103.80 10 -0.04 to 199 103.80 10 -0.04 to 199 103.80 10 -0.04 to 199 -0.04 to 19	163.16 201.53 251.53 154.99 214.54 222.08 220.08 22	1.8 3.0 2.8 3.5 2.5 2.5 2.5 2.5 2.5 2.5 2.5 2.5 2.5 2	8 2. 1 1. 1 1. 2 1. 3 2. 1.8 1.7 1. 3 2. 1.8 1.8 1.8 1.8 1.8 1.8 1.8 1.8 1.8 1.	73 5 ym 70 15 ym 70 15 ym 70 15 ym 90 20 20 20 20 20 20 20 20 20 20 20 20 20	5.5 yrs  1.5	## 5.88	23	66 5.9 689 5.8 777 77 78 689 5.8 777 78 78 78 78 78 78 78 78 78 78 78 7	2 6.2 1 5.8 9 5.8 9 5.8 140.88 140.88 140.88 140.88 140.88 17. 17. 17. 17. 17. 17. 17. 17. 17. 17.	7.16 7.75 7.75 7.75 7.75 7.75 7.75 7.75 7.75	6. 6. 6. 6. 6. 6. 6. 6. 6. 6. 6. 6. 6. 6	24 6 01 6 00 6 00 6 2.59 3.36 7 ago 17.89 1 17.89 1 19.61 19	124 104 103 103 103 103 103 103 103 104 104 105 105 105 105 105 105 105 105	7.23 7.53 7.54 15.32 185 186 186 186 186 186 186 186 186 186 186	
1 Up to 5 years (19) 2 5-15 years (20) 3 0ver 15 years (20) 3 0ver 15 years (20) 4 tradecembables (4) 5 All stocks (48) Indian-linked 6 Up to 5 years (2) 7 0ver 5 years (10) 8 All stocks (12) Average gross endoughtes (4) FT Foxed Interest Greet, Secu. (MIC) 0 FTSE interestoral Left in compliation (4) 99 (1902) UK GILTS  Water  Water 1998: 1 Trees 4 year 1998: 1 Trees 7 years (1998) 1 Trees 1998: 1 Trees 1	119.77 163.04 201.23 252.05 252.05 154.89 214.54 221.99 220.13 1646 are shown ab 164	-0.07 -0.154 -0.06 -0.06 -0.04 -0.04 to 199 103.80 10 -0.04 to 199 103.80 10 -0.04 to 199 103.80 10 -0.04 to 199 103.80 10 -0.04 to 199 -0.04 to 19	163.16 2001.53 251.53 154.39 214.54 220.08 220.22 210.4 210.4 220.22 210.4 210.4 210.3 21	1.8 3.0 2.8 3.5 2.5 2.5 2.5 2.5 2.5 2.5 2.5 2.5 2.5 2	8 2 2 2 1 1 1 1 2 2 2 2 2 2 2 2 2 2 2 2	73 5 yrs 76 15 yrs 77 15 yrs 78 20 yrs 10	5.5 5.5 13.5 5.5 5.5 5.5 5.5 5.5 5.5 5.5 5.5 5.5	## 5.88	23	61 5.9 667 5.8 677 7 ago 5.8 77 7 ago 3.25 3.54 140.60 140	2 6.2 1 5.8 9 5.8 9 5.8 140.88 140.88 140.88 140.88 140.88 17. 17. 17. 17. 17. 17. 17. 17. 17. 17.	7.16 7.754 7.754 7.754 7.754 1.96 1.267 2 1.96 1.267 2 1.96 1.33 2.77 1.96 2.87 1.97 2.87 1.98 2.87 1.99 2.87 1.99 2.88 1.90 2.90 2.90 2.90 2.91 2.90 2.90 2.90 2.90 2.90 2.90 2.90 2.90	6. 6. 6. 6. 6. 6. 6. 6. 6. 6. 6. 6. 6. 6	24 6 01 6 01 6 00 6 00 6 00 6 00 6 00 6 00	124 104 103 1697 40.98 1 1912 1912 1912 1912 1912 1912 1912	7.23 7.53 7.53 7.54 15.32 178-1, 188-1, 178-1, 188-1, 178-1, 188-1, 178-1, 188-	
1 Up to 5 years (19)	119.77 163.04 201.23 252.05 154.89 214.54 221.99 220.13 1646 are shown ab 1646 are shown ab 1646 are shown ab 1647 23 Mar 20 164.13 104.19 164.13 104.19 164.13 104.19 164.13 104.19 164.14 164.19 164.13 104.19 164.14 164.19 164.15 164.19 164.15 164.19 164.16 164.19 164	- 0.07 - 0.154 - 0.06 - 0.06 - 0.04	163.16 201.59 211.59 154.99 214.54 222.08 221.59 154.99 214.54 222.08 221.59 154.99 214.54 222.08 221.59 154.99 214.54 222.08 221.59 163.19 16	1.8 3.0 2.8 3.5 2.5 2.5 2.5 2.5 2.5 2.5 2.5 2.5 2.5 2	8 2 2 2 1 1 1 1 2 2 2 2 2 2 2 2 2 2 2 2	73 5 yrs 76 15 yrs 77 15 yrs 78 20 yrs 10	5.5 yrs 5.5 yrs 5.5 yrs 6.6 yrs 5.7 yrs 6.7 yrs 6.8 yr	87 5.8 87 5.8	23	661 5.9 669 5.8 679 5.8 7 ago 3.25 3.54  Mar 20 140.50 1/75) Florad 1 2 logs 13 2 logs 20 2 logs	2 6.2 1 5.8 9 5.8 9 5.8 1 Mar 19 1 140.88 1 Mar 19 1 140.88 1 140.	7.16 7.75 7.54 7.56 7.75 7.56 7.75 7.56 7.75 7.56 7.56	6.6.6.6.6.6.6.6.6.6.6.6.6.6.6.6.6.6.6.	24 6 01 6 00 6 00 6 00 6 00 6 00 6 00 6 00	124 104 103 166 103 166 167 168 168 168 168 168 168 168 168 168 168	7.23 7.53 7.54 1.53 1.53 1.53 1.53 1.53 1.53 1.53 1.53	
T Up to 5 years (19) 2 5-15 years (20) 3 Over 15 years (20) 3 Over 15 years (20) 4 tradecembables (4) 5 All stocks (40) Indian-linked 6 Up to 5 years (2) 7 Over 5 years (10) 8 All stocks (12) Average gross endoughton (10) 6 All stocks (12) Average gross endoughton (10) 6 FT Fixed Interest Gravet, Secu. (MIC) O FTSE interesting List in consplaints (14) 90 (1900) UK GILTS  Water  Stands** (Lives up to Pive Yo Troop 7-type (1908) Troop 7-type (1908) Troop 9-type (1908) Troop 9-type (1909) Troop 10-type (1909) T	119.77 163.04 201.23 252.05 154.89 214.54 221.99 220.13 1646 are shown ab 1646.088 1647.23 1648.13 1648.13 1648.13 17.25 187.758.13 188.14 188.17 188.18 188	- 0.07 - 0.154 - 0.06 - 0.04 - 0.04 Base 19 - 0.04 be 19 - 0.05 be 1	163.16 2015.15 153.15 154.39 214.54 222.08 222.08 222.08 222.08 222.08 222.08 103.15 1	1.8 3.0 2.9 3.5 2.5 3.5 2.5 3.5 2.5 3.5 2.5 3.5 2.5 3.5 2.5 3.5 2.5 3.5 2.5 3.5 3.5 3.5 3.5 3.5 3.5 3.5 3.5 3.5 3	8 2 2 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	73 5 yrs 76 15 yrs 77 15 yrs 78 20 yrs 10 yrs 10 yrs 10 yrs 10 yrs 11 15 23 26 26 26 27 27 28 26 27 27 28 28 28 28 28 28 28 28 28 28 28 28 28	5.5 133.6 6.11 118.5 5.5 127.1 15	5.5 8.7 5.8 8.7 5.8 8.7 5.8 8.8 9	2.	61 5.9 69 5.8 77 77 78 699 5.8 77 77 77 78 699 5.8 77 77 77 78 699 78 69	4 6.2 19 5.8 9 5.8	7.16.7.7.54  1.96.7.7.54  1.96.7.7.54  1.96.1.2.67  2.67.2  1.96.2.88  2.87.2.89  2.88  2.89.2.77  2.89  2.8	6. 6. 6. 6. 6. 6. 6. 6. 6. 6. 6. 6. 6. 6	24 6 01 6 00 6 00 6 2.59 3.36 7 ago 17.89 1 17.89 1 19.57 19.51 19	124 104 103 1667 40.98 1 40.98 1 1312 1312 1312 1312 1312 1312 1312 1	7.23 7.53 7.53 7.54 1.53 1.53 1.75 1.75 1.75 1.75 1.75 1.75 1.75 1.75	
1 Up to 5 years (19)	119.77 163.04 201.23 252.05 154.89 214.54 221.93 220.93 220.93 224.54 221.93 220.93 22	- 0.07 - 0.154 - 0.06	163.16 2015.59 154.39 214.54 220.82	1.8 3.0 2.8 3.5 2.5 2.5 2.5 2.5 2.5 2.5 2.5 2.5 2.5 2	88 2.2 11 1.8 11.7 1.1 7 1.1 7 1.1 7 1.1 7 1.1 7 1.1 8 1.6 8 1.6 8 1.6 8 1.7 1.8 1.8 1.8 1.8 1.8 1.8 1.8 1.8 1.8 1.8	73 5 ym 70 15 ym 996 imed. 3 1	Fixed Interest   15   15   17   15   17   15   17   15   17   15   17   15   17   15   17   15   17   17	5.8 5.8 6 6 6 6 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7	23 - 50 - 50 - 50 - 50 - 50 - 50 - 50 - 5	61 5.9 68 7 5.8 69 7 5.8 69 7 5.8 69 7 7 7 7 7 8 9 9 9 9 9 9 9 9 9 9 9 9 9	2 6.2 1 5.8 9 5.8 9 5.8 9 5.8 1 19 1 140.88 1 1 19 1 140.88 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	7.16 7.754  1.96 7.617  1.96 1.96 1.96 1.96 1.96 1.96 1.96 1.96	6.6.6.6.6.6.6.6.6.6.6.6.6.6.6.6.6.6.6.	24 6 6 6 1 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6	124 104 103 166 103 166 17 167 167 168 168 168 168 168 168 168 168 168 168	7.23 7.23 7.53 7.54 15.32 165 167 167 167 168 168 168 168 168 168 168 168 168 168	
1 Up to 5 years (19)   2 5-15 years (20)   3 Over 15 years (20)   3 Over 15 years (20)   4 Irrodeemables (4)   5 All stocks (48)   Index-linked   6 Up to 5 years (2)   7 Over 5 years (2)   7 Over 5 years (2)   7 Over 5 years (2)   8 All stocks (12)   Average gross extemplion (10)   8 All stocks (12)   Average gross extemplion (10)   8 All stocks (12)   Average gross extemplion (10)   8 All stocks (12)   9 Over 5 years (2)   10 Over 6	119.77 163.04 201.23 252.05 154.89 214.54 221.93 220.93 220.93 224.54 221.93 220.93 22	- 0.07 - 0.154 - 0.06	163.16 2015.59 154.39 214.54 220.82	1.8 3.0 2.8 3.5 2.5 2.5 2.5 2.5 2.5 2.5 2.5 2.5 2.5 2	88 2.2 11 1.8 11.7 1.1 7 1.1 7 1.1 7 1.1 7 1.1 7 1.1 8 1.6 8 1.6 8 1.6 8 1.7 1.8 1.8 1.8 1.8 1.8 1.8 1.8 1.8 1.8 1.8	73 5 ym 70 15 ym 996 imed. 3 1	Fixed Interest   15   15   17   15   17   15   17   15   17   15   17   15   17   15   17   15   17   17	5.8 5.8 6 6 6 6 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7	23 - 50 - 50 - 50 - 50 - 50 - 50 - 50 - 5	61 5.9 68 7 5.8 69 7 5.8 69 7 5.8 69 7 7 7 7 7 8 9 9 9 9 9 9 9 9 9 9 9 9 9	2 6.2 1 5.8 9 5.8 9 5.8 9 5.8 1 19 1 140.88 1 1 19 1 140.88 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	7.16 7.754  1.96 7.617  1.96 1.96 1.96 1.96 1.96 1.96 1.96 1.96	6.6.6.6.6.6.6.6.6.6.6.6.6.6.6.6.6.6.6.	24 6 01 6 00 6 00 6 00 6 00 6 00 6 00 6 00	124 104 103 1697 40.98 1 1912 1-3.1912 1912 1912 1912 1912 1912 1912 1912	7.23 7.53 7.53 7.54 15.32 175 175 175 176 176 176 176 176 176 176 176 176 176	



ANGET MANOR LATERY utures regulators by supervision meas

FREE LA

(. - <del>-</del>7-

<u> جو تيجه ۾ </u>

## Oil agreement helps boost sterling

MARKETS REPORT

By Richard Adams

Sterling continued its buoyant behaviour on the foreign currency markets yesterday, helped by a weekend deal to cut production by oil-producing nations.

The news of the agreement, and an associated sharp rise in oil future contract prices, hurt the US dollar and the Japanese yen as net oil importers, while boosting sterling as a net oil exporter.

Despite a bout of profittaking, the pound reached 107.9 on its trade-weighted index - its highest level since February 1989. The Norwegian krone was also stronger on the back of the agreement to reduce oil production by as much as 2m barrels a day.

In Europe, rumours of fur-ther Exchange Rate Mechanism central rate revaluations - by the Finnish

markka, the Italian lire or the Portuguese escudo - in late trading, with hedge subsided after the informal funds acting as major buyweekend Ecofin meeting.
The dollar initially gained

against the D-Mark after Boris Yeltsin, the Russian president, dismissed his entire government. But the lack of an economic impact from the move left the dollar lower against the D-Mark, after failing in an attempt at income tax cuts. break through resistance

around the DM1.8370 level. "The market is still wary of Russia but the impact has been fairly limited," said one Option-related trading and

continuing talk of European central banks selling into dollar rallies to buy D-Marks also helped curb the dollar's gains.

POUND IN NEW YORK 1.6721

The Swiss franc was firm ers, after the dollar failed to

sustain levels above SFr1.50. The dollar's advance against the yen was boosted after Koichi Kato, the sec-retary-general of the Liberal Democratic Party, said this week's economic stimulus Mr Kato and Hiromu Non-

aka, a senior LDP official, said income tax cuts could be part of a tax review for the 1999-2000 fiscal year. But dealers said the chances of Bank of Japan intervention weighed more heavily on the market and against a possible rally for the dollar.

■ One result of the week- talk of further changes. end's meeting of European Union finance ministers and central bankers was a firm ruling-out of any further changes to the central rates of Emu member currencies. Hans Tietmeyer, the Bund-

Wallace said. Analogy year (# per 2)

become the bilateral rates set at the May summit. "The think after the decision [on the puntl it will take five minutes," said Alfons Verplaetse, governor of Belgium's central bank.

esbank president, and Dominque Strauss-Kahn, the French finance minister, were among the heavy-weights who lined up to stop

Mike Wallace, an analyst at MMS in London, said the decision to revalue the Irish punt over a week ago opened up a range of possible changes. "This was a 'we've opened a box and now we

are shutting it' reaction," Mr to have sold a small amount The EMS central rates are the market. "The interven-

eral rates requires about inflows and reduce the cost four different [RU] bodies. I of sterilisation operations," a

■ The Bank of Greece interdrachma, aiming to slowing down capital inflows and contain inflation, according to a report by Reuters. The central bank was said

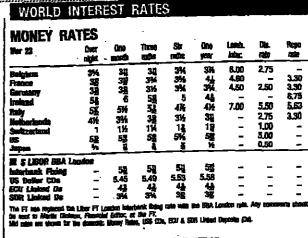
E OTHER CURRENCIES 

of dollars for drachmas in now almost certain to tion was in line with the anti-inflationary character of the monetary policy and pre-announcement of bilat- aimed to slow down capital of sterilisation operations," a

bank official said, Foreign exchange inflows were worth more than \$1.5bn last week, following the drachma's devaluation and entry into the ERM.

The drachma was also vened to strengthen the helped by a benchmark 10year sovereign bond issue, worth Dr150bn. "There is currency demand relative to the bond market, which is seen to offer good value," said Mike Wallace at MMS.

> The Bank of Israel yesterday lowered its key lending rate by 0.4 of a percentage point for April, to an annual rate of 12.2 per cent. The central bank said it was cutting rates because of subdued inflation.





High 96,300 96,185 Low 96.255 Est. voi 96.290 +0.010 96.155 -9,339 3,148

Open int. 74,414 30,712 Open Int. 96.330 96.185 96.980 95.855 +0.015 96.335 +0.015 96.190 +0.010 95.990 +0.005 95.870 96,300 96,150 95,945 95,820 48982 28229 31444 27782 431276 96.155 95.965 95.840 ARK FUTURES (LIFFE)" DIASON points of 100% Est. vol 96.46 96.44 0 THREE MOUTH EMBOLINA FUTURES (LIFTER L1000ca points of 100% 95.42 95.84 95.91 95.81 40730 26353 20474 4850 242673 230961 IN THREE MONTH EURO SWISS FRANC FUTURES (LIFFE) SFrim points of 100% +0.06 +0.07 +0.06 56157 25817 19905 7690 98.44 98.29 98.10 98.05 96.51 96.34 96.14 96.06 +0.08 THREE MONTH EUROYEM PRIVINGS (LIFTE) Y100m points of 100% Sett price 99.32 99.25 MICHTH ECS PUTURES (LIFTE) Scalar points of 100% Sett price 95.80 95.85 95.93 95.84 95.83 95.86 95.95 95.80 95.85 95.93 96.84 95.82 95.85 95.95 95.85 11636 14009 6090 E GUROLERA OP'TICENS (LIFFE) L1000cm points of 100% 2015 . M Dec . Dec 0.07 0.10 0.15 0.28 0.63 0.71 0.48 0.29 0.13 0.24 0.40

+0.0901 553 - 772 +0.2581 760 - 808 +0.0464 786 - 889 +0.0464 701 - 762 +0.0127 659 - 858 -1.288 394 - 509 +0.0047 190 - 215 +16.59 659 - 131 +0.251 550 - 550 -0.0006 662 - 781 +1.43 550 - 905 +1.189 744 - 916 +0.0397 072 - 279 +0.034 21.5816 21.4666 63.3160 62.9250 11,5899 11.5271 9.3140 9.2580 10.2857 10.2184 3.0792 3.0595 540,707 53.883 1.2224 1.2141 3021.72 3002.57 63.3160 62.9257 2.5897 12.5213 314.021 312.5213 314.021 312.5213 314.021 312.5213 31.3338 13.2573 2.55822 2.4504 21.5863 63.2284 11.6838 40 38 37 40 40 40 1.4 1.9 38 41 25 20 30 63 3.9 20.8365 3.7 61.1001 3.6 17.3222 3.8 8.9867 3.9 2.9607 -3.3 552.5 1.8 1.1881 2.0 2539.43 3.7 61.1001 4.0 3.3353 3.4 72.3155 3.1 303.765 3.1 303.765 3.1 2.3155 3.1 2.327 6.1 2.365 11,6481 9,274 10,24 3,0552 538,852 1,2188 3014,39 63,026 3,4428 12,6548 312,955 259,278 13,2638 2,4888 10.1757 10.1757 3.0358 541.415 1.2148 3004.97 62.636 3.4205 12.5654 311.319 257.927 13.2231 2.4638 3019.15 63.2284 3.4546 12.6722 +0.0054 412 - 437 1.5442 1.5764 1.9018 2.3782 +0.0129 759 - 769 +0.0141 011 - 024 +0.0178 770 - 783 +0.0289 080 - 250 +0.0124 762 - 772 1,8772 1,9042 2,3795 14,3260 1,5780 1,6649 1,8892 2,3576 14,2336 1,6657 2.3727 14.489 1.5742 26 -14.3 1.8 2,3245 16,2335 1,5501 83.3 -13.4 1.5 +0.0087 119 - 153 +0.0971 859 - 953 +0.5277 644 - 207 +0.0485 310 - 446 +1.431 342 - 640 -0.1595 094 - 299 +0.0211 789 - 843 +0.4284 089 - 820 +0.046 866 - 912 +0.046 866 - 912 +0.0656 466 - 944 -17.8 466 - 944 +0.3786 123 - 618 -1.434 823 - 618 -1.434 823 - 618 2.5136 12.9906 66.2326 60.378 218.491 5.9192 2.9616 63.2955 6.2898 2.6653 8.3516 2,5186 25 24537 25186 2509 25094 125005 125006 125002 125006 125006 125006 - 
6.0440 6.60076 - 
219.220 217.230 27.230 25.59173 25656 25200 25656 6.0031 5.8493 5.9173 25656 25856 6.2475 6.2622 2.6606 2.6857 2.6824 8.3590 8.2960 8.3832 2510.53 2276.55 - 
54.921 55.503 54.902 54.2710 64.8505 18 time factorial place. 214,781 5,9334 2,9832 64,8418 6,2729 2,5771 8,4715 -1.0 6.0792 -1.6 3.0166 -9.8 59.7054 1.0 6.239 1.2 2.6598 -5.7 8.8095 59173 0.4 2.9858 -1.7 63.7774 -8.1 6.2832 1.1 2.8824 1.3 8.3832 -6.0

-0.0421 \$56 - 650 -0.1247 \$57 - 650 -0.1247 \$57 - 650 -0.0123 \$65 - 523 -0.0204 \$20 - 252 -0.0204 \$20 - 252 -0.0204 \$20 - 250 -0.177 \$00 - 450 +0.055 731 - 751 -0.127 \$90 - 300 -0.0207 \$55 - 551 -0.54 \$60 - 150 -0.0205 \$39 - 450 -0.0205 \$30 - 450 12794 37 5226 5.0099 5.5200 6.0057 1.8186 324.38 1.3742 1792.65 37 5225 1.665 154.515 1.4753 1.665 1.691 12.6262 37.925 5.8464 6.014 1.7941 33.439 1.3839 1.761.28 37.025 2.021 7.4637 1.8437 1.823 1.5261 1.623 1.636 22 19 22 22 22 65 65 65 65 17 1.1 1.2 4.5 1.8 -1.5 21 20 78 21 21 21 20 20 22 1.5 1.3 1.3 1.3 1.5 -1.5 1.8 102.0 1.8 101.5 1.5 103.7 1.9 78.5 1.9 104.3 7.9 102.2 4.6 58.0 -1.1 75.1 1.8 101.5 1.9 100.7 1.2 85.6 1.8 91.7 1.5 76.0 0.9 85.1 4.0 106.9 37.7100 8.9893 5.5494 6.1276 1.8282 320.240 1.3741 1800.55 37.710 2.0604 7.5578 187.110 154.925 7.9425 1.4821 1.5757 1.0871 37.6600 6.9600 5.5425 6.1225 1.8257 319.650 1.797.88 37.5600 2.0590 7.5486 154.650 7.9378 1.4907 1.6657 1.8657 37.5463 8.9576 5.5395 6.115249 321.985 1.3735 1800.55 37.5457 7.547 185.994 154.871 7.996 1.4968 1.4968 6.1583 1.8373 324.650 1.3755 1807.90 37.8600 2.0692 7.5056 187,746 153,550 7,9850 1,4996 1,6780 1,0880 0.9998 1.7343 1.4184 0.9987 1.1340 1.4142 8.5355 +0.0003 R96 - 998 - 342 - 343 +0.0001 181 - 186 0.9999 1.1348 1.4190 1.4173 1.5101 1.4891
7.7498 7.7470
39.5500 39.5100
3.6666 3.5813
130.850 130.53
1.7009 1.7759
37.8550 3.7550
3.7515 3.7500
1.6885 1.5985
4.9835 4.9750
1.484.00 1380.00
32.8270 32.7380
38.5000 38.2000 1.**496**3 7.7477 -0.0064 986 - 997
+0.0004 972 - 482
+0.0022 980 - 040
-0.115 280 - 380
-0.1252 285 - 380
-0.0006 771 - 794
-0.025 500
-0.0004 905 - 605
+0.001 795 - 605
-0.1004 905 - 025
+0.001 795 - 005
-1.15 500 - 500
-1.15 500 - 500 39.5375 3.6010 130.310 3.5303 1.7783 37.7500 3.7508 1.8015 4.8015 4.8010 1267.80 32.7650 38.5000 52 -1.5 -2.1 -11.1 -0.7 -0.5 -7.9 128,655 3,5563 1,7968 38,853 3,758 1,5038 5,0758 51 -28 -19 -117 -08 -08 -75 3.5347 1.7814 38.088 3.7531 1,8022 5.0137 3.6873 1.8056 42.2775 3.7813 1.612 5.3415

**EXCHANGE CROSS RATES** \_\_\_\_ 8Fc

4.848 2.624 2.984 1 2.512 0.102 0.887 2.419 0.977 1.180 2.302 1.225 3.065 1.269 1.808 1.403 1.967 5.464 2.957 3.363 1.127 2.831 0.114 1 2.726 1.101 1.329 1.381 3.455 1.453 2.060 1.581 2.240 100 54.12 61.54 20.63 51.82 2.094 18.30 49.90 20.15 24.38 47.48 25.27 63.23 26.59 37.71 28.94 18.48 10 11.37 3.812 9.575 0.387 3.382 9.220 3.724 4.496 8.773 4.973 6.968 5.347 7.575 16.25 8.794 10 3.352 8.420 0.340 2.974 8.108 3.275 3.953 7.715 4.107 10.27 4.320 6.128 4.702 6.661 1,930 1,944 1,188 0,398 1 0,040 0,353 0,963 0,389 0,470 0,916 0,488 1,220 0,513 0,728 0,558 4775 2584 2939 9843 100 873.9 2383 962.3 1162 2267 1207 3019 1269 1801 1382 1957 20.04 10.85 12.33 4.134 10.39 0.420 3.668 10 4.039 9.516 9.516 5.065 12.67 5.328 7.538 5.800 8.216 

Change +0.0005 +0.0006 High Latesi 0.5496 0.5521 16,733 7 2 72,006 1,856 21 81,431 1,237 13 +0.0016 +0.0013 +0.0009 0.6765 0.6827 0.6891 0.6735 \_ \_ UK INTEREST RATES

LONDON MONEY RATES 74 - 74 74 - 74 74 - 74 74 - 74 75 - 75 78 - 78 1-3

4% 5 Certs of Tax dep. (£100,000) Cents On 1 you way, 4-1-10,000 is 20,000. Deposits estingement for cash 1 Mpc. Cent of Time 660, under Citizgon or Mar 20, 6,997 Mpc. ESSD fixed rain Sig. Export P. Ann. Bender rate of discount on Mar 20, 6,997 Mpc. ESSD fixed rain Sig. Export P. 1998. Agend rath for period last 25, 1998 to Apr 25, 1998, Scheme 18 8 7/100, F 21, 1988 to Fab 27, 1998, Schemes N & V 7 5/25pc. Preferror House Base Rain 8 IN THREE MONTH STERLING PUTURES (LIFFE) \$500,000 points of 100% Low

-0.01

92.51 92.64

158385 109069 147454 77386 77563 92.50 92.64 92.77 92.96 93.16 9248 9381 14591 5697 3911 92.53 92.67 92.82 93.81 93.20 92.51 92.65 92.60 92.99 93.18 +0.01 0.09 0.26 0.11 0.22 0.26 0.12 0.10

BASE LENDING RATES Prencial & Gen Bank 8.00 Probert Fleming & Co7.25 Allied Ingh Bank (GB) 7.25 Sun Banking Corp Ltd 7.25 7.25 Guirness Mehon 7.25 United Bank of Kunnalt. 7.25 Habib Bank AG Zurich 7.25

7.25

Unity Trust Bank Pic 7.25 Whiteaway Laidiew 7.25 7.25 Bank of Cyprus ent-lambros Bank Hentebie & Gen Inv Bl. 7.25 Bank of Irefand C. Hoare & Co 7.25 Honglong & Shanghai 7.25 Bank of Scotland Members of London invester Bank (UK) Ltd7.25 Julian Hodge Bank 7.25 gandaya Bank 7.25 Brit Bik of Mild East el sopold Joseph & Sons 7.25 **⊕Brown Shipley & Collet** 7.26 Lioyde Bank Midland Bank NatiWestminski Cathank NA 725 Civdeedale Bank 7.25 7.25 The Co-operative Bank7.25 725 Royal Bk of Scotland 7.25 Scotlish Widows Bank 7.25

7.25

. . . ------

496.2 268.5 305.4 102.3 257.1 10.39 90.81 247.5 100 120.7 235.6 125.4 313.7 131.9 187.1 143.6 203.4 3.761 2.036 2.315 0.776 1.949 0.079 0.688 1.877 0.756 0.951 1.766 0.951 1 1.418 1.068 411.0 222.4 252.9 84.78 213.0 8.608 75.23 205.1 82.84 100 195.1 103.9 259.9 109.3 155.0 158.5 21.06 11.40 12.96 4.344 10.91 3.855 10.51 4.245 5.124 10 5.323 13.32 5.800 7.943 6.085 8.834 3.957 2.141 2.435 0.818 2.050 0.083 0.724 1.974 0.797 0.963 1.879 1 2.502 1.492 1.145 1.622 1.562 0.856 0.973 0.326 0.033 0.289 0.789 0.385 0.751 0.420 0.596 0.426 0.458 2,439 1,320 1,501 0,503 1,264 0,051 0,446 1,217 0,492 0,593 1,158 0,617 1,542 0,649 0,920 0,706 1 Est. vol Open int. 

0.7768

0.7744

-0.0012

+0.0090 +0.0080 +0.0070 1,6732 1,6640 1,6560 1,6700 1,6630 1,6550 **EMS EUROPEAN CURRENCY UNIT RATES** 357.000 0.796244 1957.61 168.220 8.01125 202.692 6.63186 7.54257 40.7844 13.9119 1.97738 2.22799 348.160 0,768668 -1.563 -2.48 -0.95 -0.27 -0.05 0.13 0.21 0.21 0.28 0.28 0.28 0.28 2.85 0.58 0.37 0.18 0.10 0.03 0.03 0.03 0.03 0,789688 1952,31 186,129 6,01925 202,954 6,64583 7,55834 40,8997 13,9504 1,96293 2,23463 +3.99 +0.243 +0.01329 +0.01329 +0.00436 +0.00429 +0.0305 +0.0094 +0.00148 +0.002

1.41

May 1.99 2.37 2.91 May 2.36 1.87 1.45 Jana 1.68 2.08 Apr 0.84 1.31 1.92 3.97 3.35 2.79 1.660 1.570 1.680 1.22 0.91 JEN 1.46 1.18 **Apr** 0.15 0.31 0.55 0.39 0.57 0.61

Est. vol Open int. 28,697 462,594 38,589 374,067 42,387 285,426 High 94.35 94.34 94.26 12000 94.34 94.34 94.32 94.23 -0.05 -0.05 -0.03 4,496 463 3 95.12 95.18 AL Open Interest tags, are for provinces day THE CRITICALARIX OF TROOKS (LIFTE) DALFM points of 190%. Strike Price Apr 0.015 0.180 0.420 0.670 0.035 0.185 0.420 0.670 May Jun 0.040 D.185 D.420 0.090 0.015 0 0 0.120 0.155 0.330 0.565 0.815 9625 9680 9676 9700 0.115 0.670

**РИТБ** Ѕер

0.46

0.65

STOCK DIVIDEND AND CLOSE OF SHAREBOLDERS' REGISTER

TO HOLDERS OF

Purstant to Clauses 6(A) and
6(D) of the Trust Deed between
the Trustee and the United
Microelectronics Corporation (the
"Company"), dated June 8, 1994,
we hereby notify you that:
(1) The Company intends to
declare a shock dividend in

79,400 1,300 118

15,048 81 5

will receive 0.29 common shares for each common share beld. As required by the ROC Company Law, the above-stated proposal must be submitted to the Company's annual meeting of shareholders for approval. The annual meeting of shareholders is scheduled to be held on May 5, 1998.

Pursuant to Article 165 of the per near on May 3, 1998.

Pursuant to Article 165 of the ROC Company Law, the Company must close its share-tiolders' register for recordation for a period of 30 days prior to the annual meeting shareholders. Therefore,

United Michogue CORPORATION By: /b/ Robert Tsao

U.S. \$150.

HSBC Americas.

Subordinated No

UNITED MICROELECTRONICS CORPORATION US\$150,000,000 1,25% Bonds

adopted a resolution proposing that the Company declared a stock dividend to its holders of common shares. The holde will receive 0.29 common

Shareholders' Register be tween April 6 to May 5, 1998. In addition, no conversion from

This announcement appears as a matter of record only



US\$ 200,000,000 Syndicated Term Loan Facility

Arrangers Dresdner Kleinwort Benson Swedbank - FöreningsSparbanken

Lead Managers BBL France Banque Nationale de Paris London Branch Svenska Handelsbanken

Managers Kredietbank N.V. Dublin Branch LB•Kiel -- WestLB Group Norddeutsche Landesbank Luxembourg S.A.

> Agent Dresdner Bank Luxembourg S.A.

> > Atlas Capital Limited





Swedbank

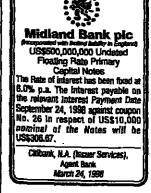
February 1998

000,000	Corporation	FF 3.800,000,000
nc. (X)	Fusher to the DIVIDEND DECLARATION	Guaranteed Floating Rate
Rate ites Due 2009	4th March 1998. Notice is now given that the following distribution is now	due 1996  meandmently and increasily in tunnated as to present of print tensors pleased to a featured pe
1875% per amount	payable against presentation to the Depository (as below) of Claim Portus	insurance policy insaed by MBIA Justininee Corpor
14th March 1990 14th June 1988	listing Bearer Depository Receipts.  Grow Distribution Per Unit. 2.50 Costs	For the Interest Period 20th 1998 to 22nd June, 1998 the N carry a Rate of Interest of 3.6

General Motors

2,125 Camps LEST Parcella Barclays Bank PLC BGSS Depository Services, 8 Angel Court, London EC2R 3HT

For the Interest Pesiod 20th March 1998 to Zind June, 1998 the Notes will carry a Retr of interest of 3,6625 per cent, per saman. The Coupon Amouston per FF 10,000 Note will be FF 95.63, for the FF 100,000 Note will be FF 100,000 will be FF 9,563,19, psyable on Zind June, 1998.



**BUSINESSES** FOR SALE

Appear in the Financial Times or to advertise in this section please contact Marion Wedderburn +44 0171 873 4874

USD 165,866,966 Fleating Rate Notes And 2001 Nation in himsby given that the cate of interest for the partical from March 249s, 1996 to June 24th, 1996 has been thred at 5.925 per cent per symbol. The coupon amount due for this period is USD 151.42 per USD 10,000

The Flocal Agent
Recogno Mationsole (Laconstropery) S.A.

CITICORPO

U.S. \$250,000,000 Floating Rate Notes Due September 2000

Notice is hereby given that the Rate of Interest for the period March 24, 1998 to June 24, 1998 has been fixed at 5.8375% and that the interest payable on the relevant Interest Payment Date June 24, 1998, against Laupon No. 12 will be US\$74.59 in respect of US\$5,000 nominal of the Notes. by Calibrack, N.A. (Corporate Agency and Trust), Agent Bank CITIBANCO

## Oil prices surge on move by producers to cut output

MARKETS REPORT

By Robert Corzine, Kennetti Gooding and Paul Solman

World oil prices surged yesterday as markets reacted to the weekend move by some of the leading crude producers to cut output by between 1.6m and 2m barrels

a day. bellwether Brent Blend contract for May delivery rose more than \$2 a barrel on London's International Petroleum Exchange in response to the initiative.

tite pact between Saudi acknowledge that there are essary. Arabia, Venezuela and Mexico to cut a combined 600,000 b/d.

quoted at \$15.12 a barrel. of less than \$12 a barrel.

Opinion is mixed about how effective the global cut- take a year to make repairs back may prove. Although to Iraq's oil infrastructure to officials who worked on the enable Baghdad to meet the agreement in Riyadh say the 1.3m b/d should be enough to than expected Iraqi exports about two thirds of the

uncertainties about market fundamentals.

One assumption appears year under the enlarged UN well above Friday's close of oil for food programme will \$13.22. Early last week, not be much higher than the Brent fell to a nine-year low 1.3m b/d seen in recent weeks.

> Officials believe it may targets of an expanded pro-

There is also uncertainty about global demand trends, tive catalysts, and there a repeat of last year's Rusespecially in Asia and the In late trading, Brent was to be that Iraqi exports this US. But the biggest uncertainty concerns stock levels. although officials say higher than expected stocks would delay the stabilisation of exports for the first six dium and platinum exports prices at higher levels rather months and created havoc in

than scupper the initiative. Palladium's price jumped to an 18-year high yesterday on news that President Boris Yeltsin had sacked his govfirm removal of perhaps gramme. However, higher ernment, Russia provides noon fix. As palladium

some industrial and automowere fears that the political sian problems. upheaval could further delay

exports. In 1997, bureaucratic holdups stopped all Russian ment told Reuters that pallawestern markets.

London, palladium was not believe exports had "fixed" at \$288 a troy ounce. up \$12.75 from Friday's afterbegan the year at \$202, the about 20 per cent of global

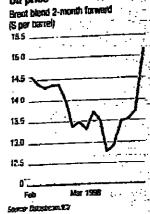
become clear there might be

The head of the Russian finance ministry's precious metals and stones departwere unlikely to be affected by the government changes. Yesterday afternoon in But dealers said they would begun until the metal began

to arrive in the west. Russia also accounts for

which is founded on a triparunderpin higher prices, they could make further cuts necworld's requirements of the price has advanced nearly 43
nickel supplies and on the metal, which is essential in per cent as it has gradually London Metal Exchange the price increased by \$115 a tonne, or 2 per cent. to \$5,635. Traders pointed out that production and exports of base metals are more divorced from centralised

control in Russia than precious metals. White sugar prices on the London International Financial Futures Exchange also weakened. Russia is the world's largest sugar importer and is expected to purchase 4.65m tonnes in



## **Drought hits** Vietnam coffee

By Jeremy Grant In Buon Ma Thuot

Drought has affected 45,000 hectares of coffee in Vietnam's main coffee-producing province of Daklak, with rivers and dams at their lowest in years and no immediate prospect of rain.

"The dry season this year is very serious. I think that at a minimum, the crop will be reduced by 10 per cent," said Professor Phan Quoc Sung, director of Wasi, an agro-forestry research centre in the provincial capital Buon Ma Thuot. Daklak accounts for more than 65 per cent of Vietnam's coffee production, which last year was 360,000 tonnes of mainly robusta beans.

However, a foreign trader who inspected three coffee plantations over the weekend said it was still too early to judge the effect of the drought. "It's certainly dry but I haven't yet seen any signs of trees dying."

Coffee is one of Vietnam's top foreign exchange earners, bringing in more than \$500m last year. The country has been the focus of Asian trade for months since the El Niño weather system caused drought in Indonesia and reduced production there.

Vietnam could overtake Indonesia as Asia's biggest producer of robusta beans but there are worries that exports will be hit if the dry

weather persists. Prof Sung said that of the 140,000 hectares under cultivation in Daklak, farmers had been unable to irrigate 40,000 hectares sufficiently.

"At the moment in some areas the cherries are shrinking and in some others the cherries are falling." he said. He estimated that yield on the poorly irrigated 40,000 hectares could be down by 20 per cent by harvest time in November.

The official Lao Dong newspaper said yesterday that water levels were critically low at 50 per cent of dams in the province, with ground water down by 4 to 5 metres on usual levels.

The arrival of strong, dry winds on Sunday was likely to exacerbate the situation, with gusts whipping up topsoil around Buon Ma Thuot. Although Daklak has

increased the area under coffee cultivation by 60,000 hectares in the past five vears, most has been planted on hillsides that are difficult to irrigate. Such areas were likely to suffer most from the drought, Prof Sung said. | r

## Metals supply rises faster than demand

Mining Correspondent

in demand for aluminium. copper and nickel last year. in spite of the developing economic problems in Asia. But that was not enough to prevent substantial supply surpluses building in these important global metal markets, according to the UK-based World Bureau of

Metal Statistics. Meanwhile, world demand for tin and zinc fell last year compared with 1996, the WBMS says in its latest quarterly market review. while lead was the only London Metal Exchange traded commodity where consumption outpaced production.

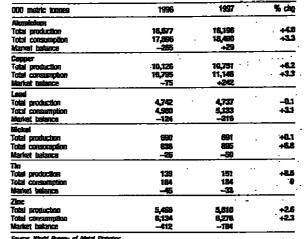
Global aluminium consumption last year increased tonnes, says the WBMS. Nevertheless, production

of 400,000 tonnes, after a deficit of 505,000 tonnes in 1996.

The biggest percentage increases in aluminium outout were in the United Arab Emirates (up 47 per cent to 380 000 tonnes) and Australia (up 9.1 per cent to 1.495m tonnes). China remained the higgest producer, raising its output by 3.7 per cent to 5.6m tonnes.

Copper supply was already in surplus in 1996, by 240,000 tonnes, and the surplus grew to 490,000 tonnes last year. A 3.1 per cent rise in copper consumption to 12.87m tonnes was not enough to keep up with a 5.1 per cent jump in output to 13.365m tonnes.

Most of the production increase came from Chile. which is rapidly catching up with the US, the world's leading producer of refined copper. Chile's copper output jumped 21 per cent to increases in most of the lead- 2.116m tonnes, compared ing supplying countries, with 2.435m tonnes produced



974,000 tonnes. This was in spite of a fall in consumption in two big markets - US demand fell 6.3 per cent to 134,100 tonnes while Japan's fell by 5.2 per cent to 177,400

Nevertheless, total Asian nickel consumption was up 9.9 per cent to 347,800 tonnes and in Europe demand rose 13.8 per cent to 360,900

Nickel output also rose strongly, by 4.75 per cent to 998,100 tonnes. This created a supply surplus of 23,600 tonnes, down from a surplus of 25,400 tonnes in 1996. The global lead market

while output fell by 1.56 per

cent to 5.689m tonnes. Tin demand fell by 3 per cent last year to 226,300 tonnes. However, output was confined to a rise of just under 1 per cent, to 226,600 tonnes, leaving the market virtually in balance. In 1996 there was an 8,800 tonne supply deficit

The WBMS says zinc demand also fell last year, by 1.3 per cent to 7.442m tonnes but output increased by 4.25 per cent to 7.713m tonnes to leave the market with a 271,000 supply surplus compared with the 135,600 tonnes deficit in 1996.

Quarterly summary of World Metal Statistics, from the WBMS, 27a High Street Ware, Herts, SG12 9BA. England. £750 a year.

## India suffers cashew shortage

By Kumai Bose in Calcutta

has fallen nearly 6 per cent in 10 months to Rs178 (\$4.51) a kg. as Vietnam has begun to challenge India and Brazil, the world's two largest

exporters. nam is increasing exports to the US, Australia and Asian countries, and should achieve its export target of plans to export 30,000 tonnes

Cashew kernel is the export product created from the processing of raw

this year.

According to the Indian Cashew Export Promotion Vietnam has Council. increased land under cashew plants from less than 50,000 hectares to 250,000 hectares nuts has grown from 3,000 tonnes to 140,000 tonnes.

Until four years ago. Indian processors imported tions. large quantities of raw nuts from Vietnam. "This source has completely dried up as Vietnam has built a processing capacity of 150,000 tonnes of raw nuts distributed over 52 factories," said an exporter.

JOTTER PAD

India and Brazil also face competition from Indonesia The price of cashew kernel as the world market for cashew nuts grows by nearly 10 per cent a year.

industry officials say the Indian processing industry: which has a capacity of about 600,000 tonnes of raw Industry officials say Viet- nuts a year, is finding it increasingly difficult to getadequate supplies.

The domestic production of raw nuts varies from 86,000 tonnes by 2005. It 420,000 tonnes to 450,000 tonnes a year," said an exporter. "But as the other producing countries have decided to raise exports of cashew kernel, importing raw nuts is a problem."

To increase its cashew nut crop, India needs to replace "senile" plants of more than 30 years old which occupy 47 per cent of the 635,000 hectares under the crop. The proin the past 13 years. During ductivity of senile plants is that time its farming of raw less than 450kg a hectare compared with 730kg a hectare in areas under scientifically managed new planta-

According to the cashew research centre of the Kerala Agricultural University in southern India, the country's vast wasteland offers. "immense scope" for cultivation of the highly drought resistant cashew crop.

-:---

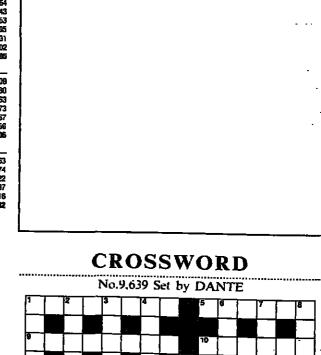
#### COMMODITIES PRICES BASE METALS Precious Metals conti M GOLD COMEX (100 Troy oz.; S/troy oz.) LONDON METAL EXCHANGE sted Metal Trading III ALUMINIUM, 99.7 PERITY (\$ per tonne 1418.5-9.5 High/low AM Official Kerts close Open int. Total delly turno 1418.5-19.5 307.2 +7.4 306.0 301.1 421.8 +9.5 422.0 415.0 ALIMANIAM ALLOY (5 per tonne) Close Previous High/low AM Official Kerb close Open int. Total daily turnover 1255-8 1270-75 1285-8 1297-99 1255-58 E PALLADRIM NYMEX (100 Troy 02.; S/kg) 283.35 +11.50 290.00 286.00 5,226 1,447 269.35 - 269.35 265.80 263.35 - 263.00 263.00 III LEAD (5 per bonn 568-9 561-62 SALVER COMEX (5,000 Tray oz.; Certs/tray o Previous High/lon AM Official 636.0 +24.6 639.0 620.0 638.0 +24.5 639.5 612.0 1 635.5 +23.8 637.0 610.0

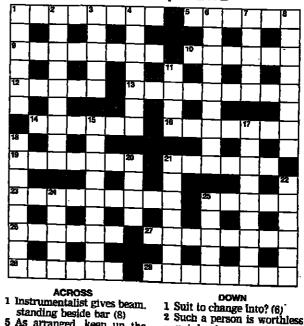
Karb close		571-2	Jul	635.5					15,933
Open int.	33,457		Sep Déc	630.0	+22.2		5245 610.0		5,140 10,398
Total delly terrover	10,608		Jan		+20.5		010.0	919	10,330
HICKEL (\$ per ton	RQ)		Tetal				_	17.081	84,953
Clase	5450-60	5550-55						,	
Previous	5430-40	5520-25		DOV					
High/low		5650/5510		RGY					
AM Official	5450 <del>-6</del> 0	5550-55	■ CR	NDE OIL N	MANEX (	1,000 b;	arets. S	barrel)	
Kerb close	ED ODE	5635-40		Latest	Day's				Open
Open Int. Total daily burnover	50,806 17,198				change		Low	Val	int.
•	11,100		May	-	+2.04	17.50			130.2k
THE (\$ per tome)			Jun	16.95	+1.99	17.50		16,601	
Close	<b>5500-</b> 10	5490 <del>-9</del> 5	الدائ	16.80	+1.49	16.81			37,977
Previous	5480-90	5470-75	Ang	17,11		17.11			21,458
High/low	5500-10	5500/5480 5490-95	Sep		+1.37	17.37			23,944
AMI Official Kerb close	3300-10	5490-500	Oct Total	17.52	+1.36	17.58	17.20		16,287
Open int.	15,175	0-30-000						102/003	489,668
Total daily tumover	2,801		CH	DE OIL P	₹ (S/ba				
■ ZBIC, special high	s grade (S per tor	ine)		Latest	Day's				Open
Close	1051-2	1076-6.5		price	change	High	Low	٧oJ	int.
Previous	1044.5-45.5	1070-71	May		+203	15.63			76.260
High/low	.01110 10.0	1092/1073	Jan	15.52	+1.90	15.82		18,547	
AM Cificial	1051-52	1076-76.5	Jel 3	15.65	+1.67	15.96	15.30		17,203
Kerb close		1087-8	Aug Sep	15.92 15.00	+1.52 +0.42	16.10 16.32	15.55 15.86		12,139 12,821
Open Int.	74,138		Oct Oct		+1.28	16.39			9.322
Total daily tumover	18,394		Total			- 3-40		o/3	11/2
E COPPER, grade A	(9 bat share)			TIME OIL	MATE X	42.000 I	is com	_	
Close	1742.5-3.5	1768-9		Latest			<del>,-</del> -		
Previous	1735.5-36.5	1762.5-63.0			change	Hinb	Low	Yol	Open
High/low AM Official	17425-43.5	1798/1760 1788-69	Apr	45.65	+4.95	48.00		14.556	
Kerto càose	11 120 100	1794-5	Hay	46.10	+4.98	47.90			
Open int.	160,493		Jun	45.72	+4.00	45.72			22,040
Total daily turnover	49.569		Jul	46.62	+4.00	46.62		1,924	17,354
IN THE WK ORIGIN	2/5 rate: 1,6770		Aug		+3.83	47.67			12,375
LME Closing E/S	rade: 1.6790		Sep Total	48.77	+4.00	46.77	48.40		10,972
Sect. 1.6789 3 cells: 1.6	716 G mate: 1 6649	2 other 1 6588	1025					32,263	187,753
ober 170 05 5 miller 170		7 Marie 1.000.0							
			E GAS	OIL PE	\$/torne	<u> </u>			
			E GAS	Sett	Day's			_	Орен
E HIGH CRAIE COP	PER (COMEX)			Sett price	Day's change	High	Low	Vol	int.
		- Down	Apr	Sett price 139.00	Day's change +15.25	High 142.00	136.50	16,636	int 34.451
Sett. Day	75	Open Vol. int	Apr May	Sett price 139.00 - 141.00 -	Day's change +15.25 +15.00	High 142,00 144,25	136.50 138.75	16,636 11,324	int 34,451 19,789
Sett. Des	's ign High Low	Vol int	Apr May Jen	Sett price 139.00 - 141.00 - 143.00 -	0ay's change +15.25 +15.00 +13.75	142.00 142.00 144.25 146.25	136.50 138.75 141.00	16,636 11,324 3,501	int 34,451 19,789 15,844
Sett. Day price cites Mar 80.95 +1.	/s nga Hiigh Low 70 81.25 79.50	Viol int 632 1,209	Apr Mary Jen Jul	Sett price 132.00 - 141.00 - 143.00 - 145.75 -	0ay's change +15.25 +15.00 +13.75 +13.25	142.00 144.25 146.25 148.75	138.50 138.75 141.00 143.75	16,636 11,324 3,501 571	int 34,451 19,789 15,844 9,649
Sett. Des	r's <b>198 High Low</b> 70 81.25 79.50 70 81.56 80.05	Vol lot 532 1,209 532 3,322	Apr May Jen	Sett price 132,00 - 141,00 - 143,00 - 145,75 - 148,00 -	0ay's change +15.25 +15.00 +13.75 +13.25 +12.25	142.00 144.25 144.25 146.25 148.75	136.50 138.75 141.00 143.75 147.75	16,636 11,324 3,501 571 1,068	int 34,451 19,789 15,844 9,649 8,352
Sett Day price char Mar 80.95 +1.1 Apr 81.20 +1.1	7s nge High Low 70 81,25 79,50 70 81,56 80,05 80 82,10 80,05	Viol lint 0 632 1,209 5 532 3,322 6 2,979 26,020	Apr May Jon Jul Adig	Sett price 132.00 - 141.00 - 143.00 - 145.75 -	0ay's change +15.25 +15.00 +13.75 +13.25 +12.25	142.00 144.25 144.25 146.25 148.75	136.50 138.75 141.00 143.75 147.75	16,636 11,324 3,501 571	int 34,451 19,789 15,844 9,649 8,352 8,621
Sett   Day price char	7s   Low   79.50   70.81.25   79.50   70.81.25   79.50   70.81.25   79.50   70.81.25   79.50   70.50	Vol. list 532 1,209 532 3,322 2,979 26,020 29 2,239 512 10,338	Apr May Jen Jul Aug Sep	Sett price 132,00 - 141,00 - 143,00 - 145,75 - 148,00 -	0ay's change +15.25 +15.00 +13.75 +13.25 +12.25	142.00 144.25 144.25 146.25 148.75	136.50 138.75 141.00 143.75 147.75	16,636 11,324 3,501 571 1,058 1,761	int 34,451 19,789 15,844 9,649 8,352 8,621
Sett. Day price chair Mar 80.95 +1.1 Apr 81.29 +1.1 Hely 81.85 +1.1 Jul 82.00 +1.4 Aug 82.20 +1.4	7s   Low   79.50   70.81.25   79.50   70.81.25   79.50   70.81.25   79.50   70.81.25   79.50   70.50	Vol. list 532 1,209 532 3,322 2,979 26,020 29 2,239 512 10,338	Apr May Jem Jul Aug Sep Total	Sett price 138.00 - 141.00 - 143.00 - 145.75 - 148.00 - 151.00 -	Oay's change +15.25 +15.00 +13.75 +13.25 +12.25 +12.00	142.00 144.25 144.25 146.25 148.75 150.00 153.50	138.50 138.75 141.00 143.75 147.75 150.00	16,636 11,324 3,501 571 1,068 1,761 26,6001	34,451 19,789 15,844 9,649 8,352 8,821 43,830
Sett   Day price char	7s   Low   79.50   70.81.25   79.50   70.81.25   79.50   70.81.25   79.50   70.81.25   79.50   70.50	Vol. list 532 1,209 532 3,322 2,979 26,020 29 2,239 512 10,338	Apr May Jen Jul Aug Sop Total	Sett price 139,00 - 141,00 - 143,00 - 148,00 - 151,00 -	Oay's change +15.25 +15.00 +13.75 +13.25 +12.25 +12.00	142.00 144.25 146.25 148.75 150.00 153.50	138.50 138.75 141.00 143.75 147.75 150.00	16,636 11,324 3,501 571 1,068 1,761 26,5001	34,451 19,789 15,844 9,649 8,352 8,821 43,830
Seti. Day price chem 80.95 +1.4 Apr 81.95 +1.1 Navy 81.65 +1.1 Jul 81.90 +1.4 Aug 82.00 +1.4 Aug 82.20 +1.4 Total	76 High Low 70 81.25 79.50 70 81.56 80.05 82.10 80.50 85 82.20 80.50 85 82.40 80.50 81.50	Vol. list 532 1,209 532 3,322 2,979 26,020 29 2,239 512 10,338	Apr May Jun Jul Aug Sop Total in Mai	Sett price 139.00 - 141.00 - 143.00 - 145.75 - 148.00 - 751.00 -	Oay's change +15.25 +15.00 +13.75 +13.25 +12.25 +12.00 8 PE (1)	142.00 144.25 144.25 146.25 148.75 150.00 153.50 000 fams	138.50 138.75 141.00 143.75 147.75 150.00	16,636 11,324 3,501 571 1,068 1,761 36,6001 per them	34,451 19,789 15,844 9,649 8,352 8,521 43,830
Sett. Day price cher p	70 81.25 79.50 70 81.25 79.50 70 81.56 80.05 55 82.20 80.50 85 82.40 80.50 85 82.40 80.50 85 82.50 81.50	Vol. list 532 1,209 532 3,322 2,979 26,020 29 2,239 512 10,338	Apr Mary Jun Jul Aug Sop Total in MAX Apr May	Sett price 139.00 - 141.00 - 143.00 - 145.75 - 148.00 - 751.00 -	Oay's change +15.25 +15.00 +13.75 +13.25 +12.25 +12.00	142.00 144.25 144.25 146.25 148.75 150.00 153.50 000 fams	138.50 138.75 141.00 143.75 147.75 150.00	16,636 11,324 3,501 571 1,068 1,761 36,6001 per then	34,451 19,789 15,844 9,649 8,352 8,621 43,830
Sett. Des price character (120 http://www.price character (120	70 81.25 79.55 70 81.25 79.55 80 82.10 80.05 85 82.20 80.55 85 82.20 80.50 85 82.20 81.50 METALS	Vol. list 532 1,209 532 3,322 2,979 26,020 29 2,239 512 10,338	Apr Mary Jen Jul Aug Sop Total in sket Apr Mary Total	Sett price 138.00 - 141.00 - 143.00 - 145.75 - 148.00 - 151.00 - 151.00 - 8.850 - 8.850 - 151.00 - 151	Ony's change +15.25 +15.00 +13.75 +13.25 +12.25 +12.00 -0.150 -0.150	142.00 144.25 146.25 150.00 153.50 000 fam 8.700 8.650	138.50 138.75 141.00 143.75 147.75 150.00 85 9862 8.600 8.650	16,636 11,324 3,501 571 1,068 1,761 36,6001 per then 55 5	int 34,451 19,789 15,844 9,648 8,352 8,621 143,830 19 2,645 2,000 18,460
Sett. Day price cher p	70 81.25 79.55 70 81.25 79.55 80 82.10 80.05 85 82.20 80.55 85 82.20 80.50 85 82.20 81.50 METALS	Vol. list 532 1,209 532 3,322 2,979 26,020 29 2,239 512 10,338	Apr Mary Jen Jul Aug Sop Total in sket Apr Mary Total	Sett price 139.00 - 141.00 - 143.00 - 145.75 - 148.00 - 751.00 -	Ony's change +15.25 +15.00 +13.75 +13.25 +12.25 +12.00 -0.150 -0.150	142.00 144.25 146.25 150.00 153.50 000 fam 8.700 8.650	138.50 138.75 141.00 143.75 147.75 150.00 85 9862 8.600 8.650	16,636 11,324 3,501 571 1,068 1,761 36,6001 per then 55 5	int 34,451 19,789 15,844 9,648 8,352 8,621 143,830 19 2,645 2,000 18,460
Sett.   Day price   Charles     May   81.95   +1.1     May   81.95   +1.3     Jul   82.00   +1.4     Aug   82.20   +1.7     Total     PRECIOUS   In LOWDON BULLION (Prices supplied by N Gold(Troy oz)   5	Pa   Low   High   Low   10   81.25   79.55   7	Viol int 532 1,209 532 1,209 532 3,302 12,979 25,020 29 2,239 512 10,338 18 1,535	Apr Mary Jen Jul Aug Sop Total in sket Apr Mary Total	Sett price 132.00 - 141.00 - 143.00 - 145.75 - 146.00 - 151.00 - 151.00 - 6.850 - 6.850 - Latent	Ony's change +15.25 +15.25 +13.25 +12.25 +12.00 S SPE (1.9 -0.150 Change S SPE (1.9 -0.150 Chang	145gh 144.25 144.25 146.25 148.75 150.00 153.50 000 fiers 8.700 8.650	138.50 138.75 141.00 143.75 147.75 150.00 85.98828 8.600 8.650	16,636 11,324 3,501 571 1,068 1,761 36,6001 per them 55 5 290	int 34,451 19,789 15,844 9,649 8,352 8,621 43,830 14 2,645 2,000 18,460 ta.)
Sett.   Day price   Charles	Pa   Low   High   Low   20   81.25   79.50   81.55   80.55   81.50   8	Vol int 52 1,209 532 1,209 532 1,302 1,209 1,209 2,229 2,229 512 10,338 18 1,535	Apr May July July Aug Sop Total in MAT	Sett price 139,00 - 141,00 - 143,00 - 145,75 - 148,00 - 151,00 - 151,00 - 8,650 - 8,650 - 4,65	Ony's change 15.25 +15.00 +13.75 +13.25 +12.25 +12.00 S PE (13.00 S MYME)  Ony's change 25.00 S MYME	142.00 144.25 146.25 148.75 150.00 153.50 000 firm 8.700 8.650	138.50 138.75 141.00 143.75 147.75 150.00 85.98828 8.600 8.650 mm88a.	16,636 11,324 3,501 571 1,068 1,761 36,6001 per them 55 280 ; S/ramB	int 34,451 19,769 15,844 15,849 8,352 8,621 143,830 19 2,645 2,000 18,460 ta.)
Sett.   Day price   Charles	Fig. 1.00 Fig. 1	Vol int 52 1.209 552 1.329 552 3.322 5 2.599 25,020 29 2.239 5 12 10,335 18 1,535	Ager Many Just Just Aug Total in MAT Apr Many Total	Sett price 139,00 - 141,00 - 143,00 - 145,75 - 148,00 - 751,00 - 185,70 - 8,60 - 188,64 - 6,65 - 188,64 - 6,65 - 188,64 - 6,65 - 188,64 - 6,65 - 188,64 - 6,65 - 188,64 - 6,65 - 188,64 - 6,65 - 188,64 - 6,65 - 188,64 - 1	Osy's change +15.25 +15.00 +13.75 +13.25 +12.00 -0.150 -0.130 S MYMEX Cay's change +0.042	142.00 144.25 146.25 146.25 148.75 150.00 153.50 000 ftem 8.700 8.650 (10,000	138.50 138.75 141.00 143.75 147.75 150.00 85. peace 8.600 8.650 mm8al	16,636 11,324 3,501 571 1,068 1,761 36,5001 per them 55 5 290 \$\frac{5}{2}\$ \$\frac{7}{2}\$ \$\frac{1}{2}\$ \$\frac{1}{	int 34,451 19,784 15,884 9,649 8,352 8,621 143,830 18,460 ta)
Sett.   Day price   Charles     May   81.95   +1.1     May   81.95   +1.2     May   81.95   +1.3     Jul   82.00   +1.4     Aug   82.20   +1.7     Total                     PRECIOUS                     In LOWDON BULLION (Prices supplied by N     Gold(Troy oz)   9     Close   233     Choming   233     Morrang fix	Pa   Low   Figh   Low   Figh   Low   Figh   Low   Figh   Low   Figh   Low   Figh   Fig	Vol int 1 52 1,205 5 532 3,322 6 2,979 25,020 7 29 2,239 5 512 10,338 1 8 1,555	Apr Blay Jul Aug Sup Total In Blay Total E MAT	Sett price 139.00 - 141.00 - 143.00 - 143.00 - 145.75 - 148.00 - 151.00 - 8.850 - 8.850 - 8.850 - 151.00 - 151.	Day's change +15.25 +15.00 +13.75 +12.26 +12.20 \$ \$FE (1.9 -0.150 -0.130 \$ \$PS (1.9 -0.150 +0.057 +0.042 +0.057	142.00 144.25 146.25 148.75 150.00 153.50 000 fiers 8.700 8.650 (10,000 153.50	138.50 138.75 141.00 143.75 147.75 150.00 85, peace 8.600 8.650 mm8ai Low 2.326 2.360	16,636 11,324 3,501 571 1,068 1,761 36,5001 per then 55 5 290 ; S/nan6	int 34,451 19,764 15,844 15,849 8,352 8,621 143,530 18,460
Seti.   Day price   Chem	Fig. 1.00 Fig. 1	Vol int 1 52 1,205 5 532 3,322 6 2,979 25,020 7 29 2,239 5 512 10,338 1 8 1,555	Ager Many Jon Jul Aug Sop Total In MAT Ager Many Total In MAT	Sett price 132,00 - 141,00 - 143,00 - 145,75 - 148,00 - 151,00 - 1	0ay's change +15.25 +15.00 +13.75 +13.25 +12.25 +12.00 6 8 FE (1.1 -0.150 -0.130 6 MYME) Change +0.057 +0.051	High 142.00 144.25 146.25 148.75 150.00 153.50 000 first 8.700 8.650 (10,000 144.25 100.000 144.25 100.000 144.25 100.000 144.25 100.000 144.25 100.000 144.25 100.000 144.25 100.000 144.25 100.000 144.25 145.25 1	138.50 138.75 141.00 143.75 147.75 150.00 8.600 8.600 8.650 mm8a Law 2.326 2.360	16,636 11,324 3,501 571 1,761 1,761 36,5001 per then 55 280 S/namB Veal 36,591 36,591 36,591 36,591	int 34,451 19,789 15,844 9,649 8,352 143,530 14 2,645 2,000 18,46
Seti.   Day price   Chem	Fig. 100 High Low 70 81.25 79.55 80.25 80.05 82.10 80.05 85 82.20 80.50 82.50 81.50 METALS MARKET M. Potential price 2 eg 20.263.76 92.80 175.2 83.00 174.8 83.00	Vol int 1 52 1,205 5 532 3,322 6 2,979 25,020 7 29 2,239 5 512 10,338 1 8 1,555	Apr May Jen Jun Jun Aug Sep Totol In MAT May Total IE MAT	Sett price 139.00 141.00 - 141.00 - 143.00 - 148.00 - 151	Day's change +15.25 +15.00 +13.75 +13.25 +12.25 +12.00 S PE (13 -0.130 Cay's change +0.042 +0.057 +0.060	142.67 144.25 146.25 146.25 153.50 000 fters 8.700 8.650 (10,000 2.460 2.460 2.460 2.460	138.50 138.75 141.00 143.75 147.75 150.00 8.600 8.650 1 mm8a 1 mm8a 1 cm 2.326 2.360 2.360 2.380	16,636 11,324 3,501 571 1,061 36,5001 per them 55 5 5 280 1,761 36,5001 1,761 36,5001 5,761 36,591 23,213 5,764	int 34,451 19,769 15,844 9,649 8,352 8,521 43,830 18,460 2,000 18,460 20,556 31,222 15,423 15,425 15
Seti.   Day   price   Char     May   81.95   +1.1     May   81.95   +1.3     Jul   82.00   +1.4     Aug   82.20   +1.7     Total                   PRECIOUS                 Introduct Bus Light (Prices supplied by N     Gold(Troy oz)   3     Constant   Constant   Constant     Constant   Constant   Constant   Constant     Constant   Constant   Constant   Constant     Constant   Constant   Constant   Constant     Constant   Constant   Constant     Constant   Constant   Constant   Constant     Constant   Constant   Constant   Constant     Constant   Constant   Constant   C	Fig. 100 High 100 Fig. 100 High 100 Hig	Vol int 1 52 1,205 5 532 3,322 6 2,979 25,020 7 29 2,239 5 512 10,338 1 8 1,555	Ager Many Jon Jul Aug Sop Total In MAT Ager Many Total In MAT	Sett price 138,00 - 141,00 - 143,00 - 145,75 - 148,00 - 151,00 - 1	0ay's change change +15.25 +15.00 +15.25 +15.00 +13.25 +13.25 +12.20 0 0.150 -0.150 0.042 +10.057 +0.051 +10.050 +10.042 +10.057 +10.050 +10.042 +10.050 +10.0	High 142.00 144.25 146.25 150.00 153.50 8.700 8.000 8.000 8.000 8.000 8.000 8.000 8.000 8.000 8.000 8.000 8.	138.50 138.75 141.00 143.75 147.75 150.00 8.600 8.650 1 mm8a 1 Luw 2.326 2.360 2.360 2.340 2.400	16,636 11,324 3,501 571 1,063 1,761 36,5001 per them 55 5 280 \$\$\frac{5}{2}\$\$ \$\frac{5}{2}\$\$ \$\frac{5}{2}\$\$ \$\frac{5}{2}\$\$ \$\f	ant 34,451 19,789 9,649 8,352 143,830 19 2,645 2,000 18,460 bat, Open let 31,228 11,428 13,937
Seti.   Day price   Chem	Fig. 100 High 100 Fig. 100 High 100 Hig	Vol int 1 12 1209 15 1209 15 12 1209 15 12 1209 15 12 10,338 18 1,555 18 1,	Ager Many Jun July August Stop Total Mary Total Mary Jun July Jun	Sett price 138,00 - 141,00 - 143,00 - 145,75 - 148,00 - 151,00 - 1	0ay's change change +15.25 +15.00 +15.25 +15.00 +13.25 +13.25 +12.20 0 0.150 -0.150 0.042 +10.057 +0.051 +10.050 +10.042 +10.057 +10.050 +10.042 +10.050 +10.0	High 142.00 144.25 146.25 150.00 153.50 8.700 8.000 8.000 8.000 8.000 8.000 8.000 8.000 8.000 8.000 8.000 8.	138.50 138.75 141.00 143.75 147.75 150.00 85.9802 8.590 8.650 1 mm8au 2.326 2.380 2.380 2.400 2.402	16,636 11,324 3,501 571 1,063 1,761 36,5001 per them 55 5 280 \$\$\frac{5}{2}\$\$ \$\frac{5}{2}\$\$ \$\frac{5}{2}\$\$ \$\frac{5}{2}\$\$ \$\f	34,451 19,786 15,844 9,649 8,352 8,521 143,830 18,620 18,450 18,450 18,450 18,450 115,428 13,535 115,428 13,537 14,194
Sett.   Day   price   Char   St.   Char   St.   St.   Char   St.	Teaching   Company   Com	Viol   inst     522   1.205     532   3.322     1 2879   25,020     29   2.239     512   10,338     18   1,555     18   1,555     24   438,321     24   437,010     3   USS)	Apr Jun Jun Jun Jun Aug Sop Total Im Mati Apr Slay Total Im Mati Apr Slay Total Apr Maty Jun	Sett price 138,00 - 141,00 - 143,00 - 145,75 - 148,00 - 151,00 - 1	0ay's change change +15.25 +15.00 +15.25 +15.00 +13.25 +13.25 +12.20 0 0.150 -0.150 0.042 +10.057 +0.051 +10.050 +10.042 +10.057 +10.050 +10.042 +10.050 +10.0	High 142.00 144.25 146.25 150.00 153.50 8.700 8.000 8.000 8.000 8.000 8.000 8.000 8.000 8.000 8.000 8.000 8.	138.50 138.75 141.00 143.75 147.75 150.00 85.9802 8.590 8.650 1 mm8au 2.326 2.380 2.380 2.400 2.402	16,636 11,324 3,501 571 1,068 1,761 26,5001 per then 55 500 S/manB 4,761 36,991 23,213 5,766 4,716 3,463 2,772	34,451 19,786 15,844 9,649 8,352 8,521 143,830 18,620 18,450 18,450 18,450 18,450 115,428 13,535 115,428 13,537 14,194
Seti.   Day   Prevenus class   Seti.   Day	Fig. 1   10   10   10   10   10   10   10	Viol   inst     522   1.205     532   3.322     1 2879   25,020     29   2.239     512   10,338     18   1,555     18   1,555     24   438,321     24   437,010     3   USS)	Apr Many Jun Jul Sup Total in skri Apr Slav Total E NAT  Apr Kay Jun Aug Sup Total	Sett price 138,00 - 141,00 - 143,00 - 145,75 - 148,00 - 151,00 - 1	Day's change +15.25 +13.75 +13.25 +13.25 +13.25 +13.25 -0.150 -0.130 Day's change +0.042 +0.055 +0.056	142.00 142.00 142.00 142.00 153.50 15	138.50 138.75 141.00 143.75 147.75 150.00 85.9802 8.590 8.650 1 mm8au 2.326 2.380 2.380 2.400 2.402	16,636 11,324 3,501 571 1,068 1,761 26,5001 per then 55 500 S/manB 4,761 36,991 23,213 5,766 4,716 3,463 2,772	34,451 19,786 15,844 9,649 8,352 8,521 143,830 18,620 18,450 18,450 18,450 18,450 115,428 13,535 115,428 13,537 14,194
Seti.   Day price   Chem	Fig. 100 High Low 70 81.55 80.25 79.55 80.25 80.	Vol int 1 12 1209 5 522 1.329 5 522 3.322 5 2.979 26,020 7 29 2.239 5 12 10,338 1 8 1,555 1 8 1,555 1 437,010 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Ager Many Jun July Aug Sop Total E MAT Many Jung Jung Jung Sop Total E Many Jung Sop Total E Many Jung Sop Total E MAT Many Jung Sop Total E Many Sop	Sett price 138,00 - 141,00 - 143,00 - 145,00 - 148,00 - 151,00 - 1	Pag*s change change +15.25 +15.00 +15.25 +13.75 +13.25 +13.25 +12.20 -0.150 -0.150 -0.150 -0.150 -0.042 +0.051 +0.051 +0.058 +0.	142.60 144.25 146.25 148.75 150.00 153.50 000 ftess 8.700 8.700 8.700 181gt 2.450 2.450 2.450 2.465	136.50 138.75 138.75 147.75 147.75 150.00 8.600 8.600 8.600 8.600 1.000 2.326 2.326 2.326 2.326 2.400 2.400	16,636 11,324 3,501 571 1,068 1,761 26,5001 per then 55 500 S/manB 4,761 36,991 23,213 5,766 4,716 3,463 2,772	34,451 19,786 15,844 9,649 8,352 8,521 143,830 18,620 18,450 18,450 18,450 18,450 115,428 13,535 115,428 13,537 14,194
Seti. Desprice character from the price character state stat	Fig. 100 High 100 Hig	Viol   int	Ager Many Jun July Aug Sop Total E MAT Many Jung Jung Jung Sop Total E Many Jung Sop Total E Many Jung Sop Total E MAT Many Jung Sop Total E Many Sop	Sett price 138.00 - 141.00 - 143.00 - 145.75 - 148.00 - 751.00 - 751.00 - 148.00 - 125.00 - 148.00 - 125.00 - 148.00 - 125.00 - 1	Day's change +15.25 +15.00 +13.75 +13.26 +12.20 0 15 MYME? Change 2 +12.20 0 6 MYME? Change 2 +12.20 0 15 MYME? Change 2 +12.20	142.60 144.25 146.25 148.75 150.00 153.50 000 ftess 8.700 8.700 8.700 181gt 2.450 2.450 2.450 2.465	136.50 138.75 138.75 147.75 147.75 150.00 8.600 8.600 8.600 8.600 1.000 2.326 2.326 2.326 2.326 2.400 2.400	16,636 11,324 3,501 571 1,068 1,761 26,5001 per then 55 500 S/manB 4,761 36,991 23,213 5,766 4,716 3,463 2,772	34,451 19,789 15,844 9,649 8,352 143,830 12,645 2,000 18,460 18,4
Seti: Desprice characteristics of the price c	The light Low 170 81.55 80.55 80.55 82.50 80.50 81.50	Viol   inst     522   1.205     532   3.322     2,879   25,020     29   2.239     512   10,338     18   1,555     18   438,321     21   437,010     18   USS)   3,73     3,89     US cla equiv.     532,25	Ager Many Jun July Aug Sop Total E MAT Many Jung Jung Jung Sop Total E Many Jung Sop Total E Many Jung Sop Total E MAT Many Jung Sop Total E Many Sop	Sett price   138,00 - 141,00 - 143,00 - 145,75 - 148,00 - 751,00 - 151,00 -	Osy's change +15.25 +15.00 +13.75 +13.25 +13	142,65 146,25 146,25 148,75 150,00 153,50 000 fters 8,700 000 fters 2,450 2,450 2,450 2,460 2,465 2,46	138.50 138.75 138.75 147.75 147.75 150.00 8.690 8.690 8.850 1mm8al Low 2.336 2.390 2.400 2.400 2.402	16,636 11,224 3,501 11,068 1,761 1,068 1,761 36,5001 55 5 280 1,571 25,706 4,715 3,463 2,772 84,7072	34,451 19,785 15,844 9,649 8,352 8,621 443,830 18,450 18,460 18,450 18,450 115,428 115,428 115,428 115,428 115,428
Seti. Desprice character from the price character state stat	Fig. 100 High 100 Hig	Viol   int	Ager Many Jun July Aug Sop Total E MAT Many Jung Jung Jung Sop Total E Many Jung Sop Total E Many Jung Sop Total E MAT Many Jung Sop Total E Many Sop	Sett price 138,00 - 141,00 - 141,00 - 145,75 - 148,00 - 151,00 - 1	Oay's change +15.25 +15.00 +13.75 +13.25 +13	High 142,05 146,25 146,25 146,25 148,75 153,50 8,700 8,700 8,700 153,50 100,000 153,50 100,000 153,50 100,000 153,50 100,000 153,50 100,000 153,50 100,000 153,50 100,000 153,50 100,000 153,50 100,000 153,50 100,000	136.50 138.75 138.75 147.75 147.75 150.00 155 peace 8.690 8.690 8.690 2.326 2.326 2.490 2.490 2.400 2.	16,636 11,224 3,501 1,761 1,068 1,761 26,600 1,761 26,600 1,761 36,900 1,761 36,900 1,761 36,900 1,761 36,900 1,761 36,900 1,761 36,900 1,761 36,900 1,761 36,900 1,761 1,762	ant 34,451 19,785 19,78
Seti. Despire characteristics of the process of the	Fig. 100 High 100 Hig	Viol   inst     522   1.205     532   3.322     2,879   25,020     29   2.239     512   10,338     18   1,555     18   438,321     21   437,010     18   USS)   3,73     3,89     US cla equiv.     532,25	Apr May Jen Jul Aug Sep Totol In MAT Apr May Total In MAT	Sett price 138.00 141.00 143.00 145.75 148.00 151.0	Osy's change +15.25 +17.26 +17.20 -0.150 -0.130 -0.	142,05 142,25 148,25 148,25 148,25 153,50 000 fters 8,700 8,700 8,700 153,50 119,00 2,450	138.50 138.75 138.75 147.75 150.00 155.00 155.00 155.00 155.00 155.00 155.00 155.00 155.00 155.00 155.00 155.00 155.00 155.00 155.00	16,636 11,224 3,501 11,068 3,501 1,068 1,761 36,5001 55 50 18,961 19,761 36,970 15,706 4,715 3,463 2,772 84,3022 15,503	34,451 19,789 15,844 9,649 8,352 8,521 443,530 11 2,645 2,000 18,460 18,460 18,450 18,156 11,957 14,194 110,571 111,907
Seti. Desprice characteristics of the price c	Temple   T	Viol   int     522   1.205     532   3.322     1 2879 25,020     29 2.239     512 10,338     18 1,535     18 1,535     18 221     24 438,321     21 437,010     24 438,321     25 48 equiv.     532,25     522,55     529,55     613,00	Apr Jun Jul Aug Sup Total III MAT	Sett price 138,00 - 141,00 - 141,00 - 145,75 - 148,00 - 151,00 - 1	Oay's change +15.25 +17	142,00 144,25 146,25 146,25 146,25 148,75 153,50 000 ferm 8,700 8,700 153,50 100,000 119,00 100,000 119,00 100,000 119,00 100,000 100,	138.50 138.75 137.75 147.75 150.00 25.00 2	16,636 11,324 3,501 11,324 3,501 1,068 1,761 1,068 1,761 26,6007 55 5,766 4,762 2,772 84,3622 Val. 15,503 11,885 11,885 11,885 11,885 2,3032	34,451 19,789 19,649 8,652 8,621 43,830 1 2,645 2,000 18,460 ta.} Open let 30,556 31,228 16,428 16,428 16,429 11,907
Seti. Desprice characteristics of the price c	Total   Tota	Viol   int     522   1205     532   3.522     529 26,020     29 2,239     512 10,338     18 1,535     18 1,	Apr Many Jun July Apr Stay Total E MAT Many Jun Apr Many Many Many Many Many Many Many Many	Sett price 138.00 141.00 145.75 148.00 151.0	Osy's change +15.25 +15.20 +15.25 +12.25 +12.25 +12.20 -0.150 -0.130 -0.150 -0.058 +0.055 +0.055 +0.055 +0.055 +1.25 +1.	142,66 142,25 148,25 148,25 148,25 153,50 000 fters 8,700 8,650 (10,000 153,50 163,50	138.50 138.75 138.75 147.75 147.75 150.00 143.75 150.00 15	16,636 11,224 3,501 11,058 11,761 1,068 1,761 36,5001 55 50 136,991 55,766 4,715 2,772 84,3022	34,451 19,785 15,844 9,649 8,352 8,521 443,530 12,645 2,000 18,450 81,1 Open left 30,556 31,228 15,428 113,957 14,194 110,571 111,907
Seti. Desprice characteristics of the price c	Total   Tota	Viol   int     522   1.205     532   3.322     1 2879 25,020     29 2.239     512 10,338     18 1,535     18 1,535     18 221     437,010     18 LISS      3,73     522,55     622,95     613,00     2 squir.     174-175     175     175     175     176     177     177     178	Apr Jun Jun Jun Jun Aug Sop Total  In Med Apr Slay Total  E MAT  Apr NYM Apr Jun	Sett price 138.00 141.00 143.00 145.75 148.00 151.0	Osy's change +15.25 +15.20 +15.25 +12.25 +12.20 -0.150 -0.130 +13.75 +12.25 +12.25 +12.20 -0.150 -0.130 +12.20 +12	142,05 142,25 148,25 148,25 148,25 153,50 000 term 8,700 8,700 8,700 153,50 119,00 100,000 119,00 11	138.50 138.75 137.75 147.75 150.00 143.75 150.00 185, peace 8.600 8.850 1 mm8al 2.360 2.400 2.400 2.400 2.400 2.400 2.400 2.400 2.500 5.0000 5.000 5.0000 5.0000 5.000 5.0000 5.0000 5.000	16,636 11,224 3,501 11,058 11,761 1,068 1,761 36,5001 55 50 761 36,5001 55,766 4,715 2,772 84,7022 4,715 3,032 2,772 84,7022	34,451 19,785 15,844 9,649 8,352 8,521 443,530 12,645 2,000 18,450 bat 30,556 31,228 16,428 13,957 14,194 110,571 111,907
Seti. Desprice characteristics of the price c	Fig. 1.00 Fig. 1	Viol   int   1   1   1   1   1   1   1   1   1	Apr Many Jun July Apr Stay Total E MAT Many Jun Apr Many Many Many Many Many Many Many Many	Sett price 138.00 141.00 143.00 145.75 148.00 151.0	Osy's change +15.25 +15.20 +15.25 +12.25 +12.20 -0.150 -0.130 +13.75 +12.25 +12.25 +12.20 -0.150 -0.130 +12.20 +12	142,05 142,25 148,25 148,25 148,25 153,50 000 term 8,700 8,700 8,700 153,50 119,00 100,000 119,00 11	136.50 138.75 147.75 147.75 150.00 8.850 mm8sa Lune 2.326 2.360 2.400 2.400 2.402 2.402 2.402 2.505 50.50 50 50.50 50.50 50 50.50 50 50.50 50 50 50 50 50 50 50 50 50 50 50 50 5	16,636 11,224 3,501 11,058 11,761 1,068 1,761 36,5001 55 50 761 36,5001 55,766 4,715 2,772 84,7022 4,715 3,032 2,772 84,7022	34,451 19,784 9,649 8,352 8,621 43,530 1 2,645 2,000 18,460 tal.) Open int 30,556 31,228 16,428 13,937 14,194 10,197

ing supp including l					with: in the			mes pr	roduced						narke tonne		s defic erteriz		
in a 3.9								LME	traded								Meta		
output to									he big				•						_
That dro market to		_							remano cent to								Her nd. £7:		
			_		_		-	-								414%			
	5.2		77	T 1	7.5	9/69		4 . V. F.	Serve 1	1 0 p	J. ali							:	
tinued		ains				_	;		FTS							AT AND			
Coan	<b>W</b>	HEAT LIFFI Sett			per bon	ne)	Coen	<b>= C</b> C	COA LIFTE Sett		es; S/to	net		Open		E CATTLE CLE Self Day		is, center	Hbs)
Vol ist		price	chang	e Hiligh		Vol	int		price	change	-			iat		Price chan		Low	Vel
21,585 68,232	Mar May			73 35 74.25		5 124			1081 1091				13 4,030	159 29,760	Apr Jan	65.150 +0.37 66.950 +0.27			
6,220 47,175 109 7,400	Jul Sep			76.25 75.00		102 5			1104 1117			1098 1111		16,525 26,329	Aug Ccs	68 100 +0.32 68,900 +0.05			
94 4,067 63 15,544	Nov Total	77.00	-0.75	77.25	76.50	156 434		Dec	1136 1156	+3	1139 1157			29,118 37,385	Dec Feb	89.800 +0.05 71.050 +0.10	0 70.025	69.775	98 10
28,103 193,867		HEAT CET	(5.000ba	min; ca	nts/50th)			Total						161,286	Total				9,481
y oz.) 1,341 12,092	May Joi			333.00 342.00					COA CSCE 1683		es; S/fmz 1689		7 90E	25,716	Aux	52.125 +0.52			_
668 3.704	Sep	350.50	+4.25	351.00	344 00	607	5,495	Jal	1697	+27	1701	1677	3,162	17,445	Jim	58.575 +0.67	5 58,700	57.800	2,181
9 428 2 63	Dec Mar	368.00	+3 00	363.00 365.00		1,294 24	696	Dec	1715 1747	+30	1753	1727	357	7,827 13.592	Jul Acıy	57.500 +0.40 54 725 +0.22	5 55.150	54.450	579 587
2,020 16,303 7 (2.)	Jul Total	359.00	+1.00	-	-	- 22,297	37 <b>99,133</b>		1776 1795		1779 1800	1779 1800		9.955 3.766	Oct Dec	52.300 -0.02 52.450 +0.35			128 154
14 241	M M	NEZE CET E	5,080 bu	min, ce	ds/56b	busheh		Total	COA (ICCO)	ATIES: A	nenal	1	1,962	79,950	Total	SK BELLES CA	E 481 080		7,289
447 4,908 163 660	ilizy Jul			267.00 273.25						(CD) ( D)		ce	Pr	rev. dav		43,600 +2,40			16
461 5,809	Sep Dec	276.00	+2.00	276.50 277.50	274 00	3,302	24,111	Daily		<u> </u>			1	285.84	May Jul	47.325 +1.45 45.775 +1.67	47.850	45.900	923 277
231 332	Mar May	283.75	+2.00	283.75 288.00	287 50		6,640	Mar	1735			1744	72	182	Aug Sep	44.350 +1.50 47.000 +2.59	45,200	43.800	81
14,849 43,619 930 15,933	Total					90,734	367,B52	May Jed	1740 1710	+22	1754	1728	2,925	17.474 10,666	Total	71 JUGU TZ-388	7 41 2000		1,297
63 5,140 616 10,398	Mar	RLEY UFF	+0.25		per lon	ne)		Sep	1683 1657	+21	1694	1675	48	3,017					
4 -	May	73.75	-1.25	-	-	_	252	Jan	1635	+21 +21	1655	1655	-	1,275 109	FOM	DON TRA			MS
17,081 84,953	Sep Hov	75.25		75.25		46	12 481		FEE & C	CE 137.5	500 <b>to</b> s: c		-	32,739		price \$ tonge		325	P
	Jan Total	77.25	-0 75	77.25	77.25	10 56	72 817	May	148 10	+1.40	149.50	145.50	8,639			MBSQNJ LIAE	May	Aug	May
rarrel)	<b>30</b> S0	TABEANS	व्या ५,०	100bu zai	n, cents/	50R) bus	heli	Jud Sep		+1.25 +0.40	137.50	135.00	950	6,239 4,694	1400 1425		55 44	96 80	17 26
Open Vol let	May Jul	651.50 654.50						Dec Mar	130.50 127.25		131.25 128.00	729.00 127.00	579 115	3,461 1,112	1450		31	56	38
76,466 139,2k 16,601 81,161	Ang Sep	654.75 641.00					8.984 1,617	May Total	125.75		126.75	126 00	7 2580	535 32,232	■ CD (Grade	A) LME	May	Aug	May
7,200 37,977 3,485 21,468	Nov	635.50 641.50	+4 00	636.00	632.00				PREE (ICO) (	US cents	/pound)				1750 1800		80 55	115 91	42 66
1.969 23,944	Total					46,422	154,174	Mar 2	0 daaly		110	24		. day 1 118.03	1850		35	70	96
911 16,287 <b>63,689 489,868</b>	Hay	ABEAN O		27.90			ca spr	15 day	merage .		179.7	73		120.20	1650	FFEE LIFFE 1:	Mar 105	₩ay 116	Mar 15
	أمث	27.67	-0 14	28.00 27.83	27.65	4,982	49,435	Mary	TE SUGAR 271.6	_	0 lonne 272.7			16,667	1700		69	89 68	29 52
Open Val Just	Ang Sep	27.35	-0.05	27.50	27.45		5.375	Ang	274.0	-1.1	274.5	272.1	467	9,872	<b>■</b> C0	COA LIFTE	May	Jul	May
55,791 76,260 18,547 40,431	Oct Dec			27.05 26.93	26.70	2,470		Oct Dec	276.9 278.2	-1.2	277.0 279.2	278.5	290 70	6,542 788	1050 1075		49 32	74 -58	8 16
4,214 17,203 3,453 12,139	Total	/ABEAN M	EAL CB	T (100 s		20,899 ' mi	150,875	May May	281.6 284.1		281.0 285.0	285.0	· 50	1,001 389		BIT CRUDE PE		45 <b>Au</b> r	28 Mar
2,134 12,821 327 9,322	May	168.8	+3.1	1690	165.7	9,093		Total ■ SUG	AR "11" CS	CE (112	.0000bs:		1,727 : 9)	35,590	1300 _			~	5
	Jel Aug	171.9 172.9	+25		168.8 170.7	6,267 2,016	13,580	وخقا	9.83	-0.05	9.88	9.7515	,026 7		1400		155 	153	26
e/US galls)	Sep Oct	174.5 174.5	+2.2	174.2	172.2 173.0	286	10,060 4,087	Jul Oct	9 84	-0.07 -0.02	9.67 9.68	9.58 5 9.80 2	,807 4	2,581					
Open Vol int	Dec Total	178.0	+2.6	177.8	175.7	2,007 <b>20,819</b> 1		Mar May	10.25	+0.04		10.13 1 10.22		17,145 2 <i>,27</i> 6		DON SP		IARK	ETS
4,556 33,046 9,932 39,097	■ POT	ATOES LE	HE (20	tonnes;	E per lo			Jul Total	10.27	+0.03	10.27	10.25 24	4 4,7151:	3,358 <b>60,93</b> 0	E CB0	DE OIL FOR (DE	г Балтей		
2,956 22,040 1,924 17,354	Apr May	65.0 72.0	+1.0 +1.0	65.0 72.0	63.0 70.0	26 21	558 340		TON NYCE					_	Dubai Brent B	land (dated)		2.76-2.86 4.42-4.45	
1,607 12,375 808 10,972	Jee Nor	82.0 59.0	+1.0 +1.0	-	Ξ	-	_	May Jel	69.68 71.04	+0.31 +0.35	89.85 71.15	69-21 4 70.60 1	.440 2 .961 1	29,833 16.354	Brent B W.T.L	lend (May)	\$1	5.00-5.03 6.35-6.40	3 +
35,983187,753	Mar Total	88.0	-	-	-	- 57	1,156	Oct Deç	73.03	+0.09 +0.15	73 10	72.85	126	2,859		PRODUCTS NW	Eprompt o	leikery ()	F (ton
		IGHT (BIFF	EXQ LIFE	FE (\$10Vi	index po			Mar Total	75.00	+0.20	75.05	74,95		1,569	Premios Gas Os	n Gasoline		168-170 138-139	
Open	Mar Apr	998 1000	-2 -15	998 1000	998 990	4 25	340 727		NGE JUCE	MYCE (1	5,000tbs;			· vyace	Heavy F Naphthe			<b>5</b> 61-63	
Vol int 6,636 34,451	May	1025	-	1030	1020	5	231	May	108.55 111 70	-1.25 1	10.15 1	08.10 2			Jet fuel	ı	\$	146-148 147-149	
1,324 19,789 3,501 15,844	Jul Oct	940 1085	-20 -	930	930	5	259 131	Sep	114.50	-1.10 1	15,30 1	14.40		3,402	Diesei M Mati	MEAL BAS (Pen	S स्थानमा	142-143	
571 9,649 1,068 8,352	Total	Close !	Prev			39	1,693	Hov Jan	116.00 117.25	-0.60	117.75 1	16.00	101 130	3,169 1,343	Вастоп	(Apri	6	70-8 80	
1,761 8,621	BA	1825	1035					ilitar Total	119.25	-0.60	-	- 3	10 1288 1	749 8.628	Petroleum Mi OTHO	Angus, Tel. Lóm Sa	im (1771)	359 B792	
36,500143,930	PUL	P AN	D P	ΔPFI	R									-		r 807 021♣		293,45	
er thems		PEX ONLY													Saver (p	er tray oziş		524.50c	+
55 2.645 5 2,000			Day's				Open	900	ME DATA					_	Palledku	(per troy (12.)		5418.00 5288.00	+
290 18,460	Mar	521.00		ffigh 521 00 5		Voi 25	iest 605	Open	interest an	d Yolums	data și	nown for	contra	cts	Copper Lead (U	arod.)		85 Oc 45.00c	
S/mar/Bbs.)	Jum Total	540.00				35 109	115 858	and t	d an COME PE Crude O	S are one	e cary in	amears.	Volum	SCE		la Lumpur)		19.91:	
Opes Val jet		S DATA				rus		Орел	interest ka	tals are	kor aaf b	raded in	ON BIS	- }	Caldie (I	va weight		251.5 85.30p	-
8,591 30,556 3,213 31,228			opiad i	by CMS.				L	_			-				ive weight) weight)†		01.08p 70.07p	+
5,796 16,428 4,715 13,957								INDI	CES							SUGER (IDM)	8	244.80	+
3,463 14,194									ers (Bese: '		<u> </u>				Barley (E	ng. feed)	_	274,80 Unq	+
2,772 10,571 <b>4,383211,907</b>	1	from th					- 1	<b>Har</b> 1686		r 20 84.1	<b>Month</b> 1715		782F (		Wheat (	6 No3 Yellowi IS Dark North	3	109.00 Unq	
	L MANUS	Sedt:læir raztesbu	nt othe	r Aldica	nns we	MG 499	اتط		Festiones (B						Rubber (			47.50p 47.50p	
	CESK	nore: se ar. Price	elective endice	e dem: Obons (	and wi	ith pri IS 98/8	CeS I	226 (	37 22	r 19 5.36	month -	<b>-2</b> 0	year (	ige	Rubber (	KL RSS No1)	Ż	78.00m	-:
Open Vol int	Drac	(182p),	st avai	labie 16	85 p (20	166). ax	ood I	# GSCI	Spot (Bose 20 Ma	: 1970 : : 19	= 100) month	200	year i		Palen Oil	Cal (Phin§ (Malay.)§		595.0y 640.0	
5,503 24,359	med	lum 130 D) The h	p (155	ip), lov	v medi	um 10	33p	162.4		2.40	169,8		195.8		Copra (P Soyabear	E (US)		3BU Oy 175.0	
1,885 38,355 3,032 17,584	was.	185p for	Burur	ndi PD.		10		Aluminan	9	-2,	<b>2</b> 55	Þ		8,700		(64s Super)	1	68.35 376p	-(
7 019 12 020	1 70 1							دريا فالمثاث		-16		100	4	5 9 <b>9</b> 0	M			-	

The London Tea Auction is now fortnightly. The next report will appear on April 7.

	HICK	-	-	الم		鰄	Price change	High	LGW	Yel	int
kar Lay	1081 1097		1072 1095	1070		159 29,760	Apr 65.150 +0.375 ( Jun 66.950 +0.275 (				
اله	1104	+4	1109	1098	1,483	16,525	Aug 68 100 +0.325 6	38.200	67.750	1,388	
ep lec	1117 1136	+4	1121 1139				Det 68.900 +0.050 ( Dec 69.800 +0.050 7	39.125	68.800	1,083 98	8,965 2,531
lar	1156					37,385	Feb 71.050 +0.100 7				802
otal					9,035	161,286	Total			-	100,985
	OA CSCE						I LEAN HOGS CIAE (40,			_	
lay di	1683 1697					25,716 17,446					
ap	1715	+29	1719	1695	177	7,827	Juli 57.500 +0.400 5 Aug 54 725 +0.225 5	7.900	57.150	579	4,163
lec ler	1/4/ 1776	+30	1753 1779	1727 1779		13,592 9,955	Acag 54.725+0.225 5 Oct 52.300 –0.025 5	15.150 12.500	54.450 51.850	587 128	3,173 2,967
رحا	1795			1800	251	3.766	Dec 52.450+0.350 5		52.300	154	2,766
otal r coc	OA (ICCO)	ATIES:	hannal		11,962	79,950	Total PORK BELLES CAE (*	AT 050		-	38,606
kar 20		(COIT C		tra .			Mar 48.600 + 2.400 4			16	53
ady _			1300.	104	1	285.84	EESY 4(.125+1.45U 4	W.85U	45.900	923	5,874
COF	RE LIFTE	(5 tonne	s; S/ton	ne)			Jol 45.775 +1.675 4 Aug 44.350 +1.500 4				2,222 987
lar Jay	1735	+26 +22		1744		182 17,474	Sep 47,000 +2,580 4	7.500	45.500	-	16
ď	1710	+22	1720	1696	810	10,666	Total			1,297	<b>9,182</b>
ep 07			1694 1655			3,017 1,275					
		+21		-	-	109	LONDON TRAD	ED (	OPTIO	NS	
stal · ^c=	FE C C	NE 127 1			-	32,738	•	C	28s	Pt	ots
ay						10.050	<b>III. ALLIMBRITHI</b> (99.7%) <b>LIAE</b>	May	Aun	Mm.	-
ď	148 10 142 40	+1.25	143.25	140.25	2,290	6,239	1400	. 5B		May 17	Aug 29
ec sb	136.85 130.50						1425	44	80	26	38
<b>2</b>	127.25 125.75	-	128.00	127.00	115	1,112	T COPPER	. 31	56	38	48
ay Mai	125.75	-	126.75			535 <b>32,232</b>	(Grade A) LME		Aug	May	Aug
	REE (ICCO) (	US cent	s/pound)				1750 1800	80	115	42	67
ar 20		•				. day 1	1850		91 70	66 96	91 119
سطي مطار	Ышу Втегаде .		119. 110	24		118.03 120.20	E COPPE LIFTE		May	Mar	May
WHI	ie Sugar	UFFE (S	13. 50 kmne	 s, \$/10m	e)		1650	105 69	116 89	15 29	56 79
=y				270.0	925	16,667	1750	42	68	52	108
9 1	274.0 276.0		274.5 277.0			9,872 6.542	1050	May		May	Jul
c	278.2	-1.2	279.2	278.5		788	1075	49 32	74 -58	8 16	20 29
9F 24	281.6 284.1	+0.2 -0.3	281.0 285.0	280.5 285.0	45 · 50	1,001 389	1100	19	45	28	41
ital					1,727	35,590	BRENT CRUDE PE	Mar	Apr	Mar 5	Apr 23
	49 "11" CS						1350	155	•	٠.	-
iy i			9.88 9.67			76,714 36,563	1400	-	153	26	34
ŧ		-0.02	9.68	9.80							
	10.00	. 0.07	40.04								
er Ty	10.20 10.25	+0.07 +0.04	10.21 10.26	10 13 1	325	17 145	LONDON SPO	ТМ	IARK	ETS	
ly i	10.20 10.25 10.27	+0.07 +0.04 +0.03	10.21 10.26 10.27	10.13 1 10.22 10.25	36 4	17,145 2,276 3,358	LONDON SPO		ARK		HOX-
ly i isi	10.20 10.25 10.27	+0.04 +0.03	10.26 10.27	10.13 1 10.22 10.25	36 4	17 145	CREDE OIL FOR (per ba	धारकी \$12	276-2.86	x +	1.68
ty tal com	10.25 10.27 TORN MYCE 69.68	+0.04 +0.03 (50,000) +0.31	10.26 10.27 bs: cent 69.85	10.13 1 10.22 10.25 2 5/109 69-21 4	1,325 1 36 4 4,7151	17,145 2,276 3,358 90,930	CREDE OIL FOR (per ba	धारमें \$12 514	276-2.86 4.42-4.45	* +	1.68 1.92
ty tea com ey	10.25 10.27 TON MYCE 69.68 71.04	+0.04 +0.03 150,0001 +0.31 +0.35	10.26 10.27 bs: cent 69.85 71.15	10.13 1 10.22 10.25 2 3/103 69.21 4 70.60 1	1,325 1 36 4 4,7151 1,440 2 1,961 1	17,145 2,276 3,358 80,930 9,833	M CBODE GIL FOR (per to Dubal Brent Blend (dated) Brent Blend (May) W.T.L	512 514 515 516	276-2.86 4.42-4.45 5.00-5.03	1 +1	1.68 1.92 1.635
iy i tali com sy i t	10.25 10.27 10.8 MYCE 69.68 71.04 73.03 74,04	+0.04 +0.03 +0.03 +0.31 +0.35 +0.09 +0.15	10.26 10.27 bs; certs 69.85 71.15 73.10 74.15	10.13 1 10.22 10.25 2 5/703 69.21 4 70.60 1 72.85 73.80 1	1,325 1 36 4 4,7151 1,440 1 1,961 1 1,970 2	17,145 2,276 3,358 80,930 29,833 16,354 2,859 25,599	IN CREDE OIL, FOR (per la Dubal Brent Blend (dated) Brent Blend (May) W.T.L III. OIL, PRODUCTS NAVE pr	12 512 514 516 0mpt d	2.76-2.86 4.42-4.45 5.00-5.03 5.35-6.40 olivery (3	x + i + i + f (tons)	1.68 1.92 1.635 1.625 e)
iy i tal com ey i t s s	10.25 10.27 10.87 1081 MYCE 69.68 71.04 73.03	+0.04 +0.03 +0.03 +0.31 +0.35 +0.09 +0.15	10.26 10.27 bs; certs 69.85 71.15 73.10 74.15	10.13 1 10.22 10.25 2 8/103 69.21 4 70.60 1 72.85 73.80 1 74.95	36 4 4,7151 1,440 2 1,961 1 126 1,070 2	2,276 3,358 80,930 29,833 16,354 2,859 1,869	IN CREDE OIL FOR (per to Duhal Brent Blend (dated) Brent Blend (May) W.T.L IN OIL PRODUCTS MWE pr Premiore Gasoline	\$12 \$14 \$1: \$16 Ompt d	2.76-2.86 4.42-4.45 5.00-5.03 35-6.40 olivery Cl	x + i + i + f (tone)	1.68 1.92 1.635 1.625 e)
ry i com ey i t s s s tal	10.25 10.27 10.8 MYCE 69.68 71.04 73.03 74,04	+0.04 +0.03 150,0001 +0.31 +0.35 +0.09 +0.15 +0.20	10.26 10.27 bs: cent 69.85 71.15 73.10 74.15 75.05	10.13 1 10.22 10.25 2 3/03 69.21 4 70.60 1 72.85 73.80 1 74.35	36 4 4,7151 1,961 1,961 1,970 15 7,856	2,276 3,358 80,930 29,833 16,354 2,859 1,869	IN CRODE Oil. FOB (per to Duhal Brent Blend (dated) Brent Blend (May) W.T.L IN ON PRODUCTS NWE pr Premion Gasoline Ses Oil Heavy Fuel Oil	\$12 \$14 \$15 \$16 \$16 \$16 \$16 \$16 \$16 \$16 \$16 \$16 \$16	2.76-2.86 4.42-4.45 5.00-5.03 6.35-6.40 elivery Cl 168-170 1.38-139 561-63	x + + + + + + + + + + + + + + + + + + +	1.68 1.92 1.635 1.625 e) +22 +15 +2
ry i com ey i t s s s tal	10.25 10.27 10.27 69.68 71.04 73.03 74.04 75.00	+0.04 +0.03 150,000 +0.31 +0.35 +0.09 +0.15 +0.20	70.26 10.27 bs. cent 69.85 71.15 73.10 74.15 75.05	10.13 1 10.22 10.25 2 9/03 99.21 4 70.60 1 72.85 73.80 1 74.95	1,325 1 36 4 4,7151 1,961 1 126 1,970 3 15 7,858 3	17,145 2,276 3,358 90,930 16,354 2,859 1,869 78,897	IN CREDE OIL FOR (per la Duhal Brent Blend (dated) Grent Blend (dated) W.T.I. IN Oil PRODUCTS NOWE pr Premiore Gasoline Gas OII	\$12 \$1: \$1: \$1: \$1: \$1: \$1: \$1: \$1: \$1: \$1:	2.76-2.86 4.42-4.45 5.00-5.03 5.35-6.40 68very Cl 168-170 138-139 561-63 146-148	x + + + + + + + + + + + + + + + + + + +	1.68 1.92 1.635 1.625 e) +22 +15 +2
ty tal com ey i t tr tal ORAN	10.25 10.27 TON MYCE 69.69 71.04 73.03 74.04 75.00 IGE JOHCE 108.55 111.70	+0.04 +0.03 +0.31 +0.35 +0.09 +0.15 +0.20 HYCE (1 -1.25	70.26 10.27 bs; certs 69.85 71.15 73.10 74.15 75.05 5,000tbs	10.13 1 10.22 10.25 2 10.25 2 5/103 2 69.21 4 70.60 1 72.85 73.80 1 74.95 1 108.10 2	325 1 36 4 4,7151 1,961 1 126 1,970 2 15 7,856 2 483	17,145 2,276 3,358 80,930 19,833 16,354 2,859 1,869 78,897 22,024 7,362	IN CRODE OIL FOB (per to Duhal Brent Bland (dated) Brent Bland (May) W.T.L IN OIL PRODUCTS NWE pr Premiore Gasoline Gas OII Heavy Fuel OII Naghtire Jet thei Diesel	\$12 \$1: \$1: \$1: \$1: \$1: \$1: \$1: \$1: \$1: \$1:	2.76-2.86 4.42-4.45 5.00-5.03 6.35-6.40 elivery Cl 168-170 1.38-139 561-63	* + † † † † † † † † † † † † † † † † † †	1.68 1.92 1.635 1.625 e) +22 +15 +2
i tal com sy i t s sr tal ORAN	10.25 10.27 1084 MYCE 681.69 71.04 73.03 74.04 75.00 1081.55 111 70 114.50 114.50	+0.04 +0.03 +0.31 +0.35 +0.09 +0.15 +0.20 MYCE (1 -1.25 -0.95 -1.10 -0.80	70.26 10.27 bs; certs 69.85 73.10 74.15 75.05 5,000bs 110.15 1 113.00 1	10.13 1 10.22 10.26 2 10.26 2 5/103 69.21 4 70.60 1 72.85 73.80 1 74.95 1 108.10 2 111.00 114.40	325 1 36 4 4,715 1 1,961 1 126 1 1,970 3 1,970 3 1,970 3 1,970 3 1,970 3 1,970 3 1,970 3 1,970 3 1,970 3 1,986	17,145 2,276 3,358 80,930 19,833 16,354 2,859 1,869 1,869 78,867	IN CREDE GIL. FOR (per back) Duhal Brent Blend (dated) Grent Blend (May) W.T.I. III. Oil. PRODUCTS NWE pr Premiore Gasoline Gas Oil Heavy Fuel De Nachtre Jet fuel Diesel III. SATURAL GAS (Pencet)	\$12 \$1: \$1: \$1: \$1: \$1: \$1: \$1: \$1: \$1: \$1:	2.76-2.86 4.42-4.45 5.00-5.03 6.35-6.40 68very Cl 138-139 561-63 146-148 147-149	* + † † † † † † † † † † † † † † † † † †	1.68 1.92 1.635 1.625 e) +22 +15 +2 +12 +15
ty tal com y t ty tal oras	10.25 10.27 1084 MYCE 69.69 71.04 72.03 74.04 75.00 108.95 111.70 114.50 116.00 117.25	+0.04 +0.03 +0.31 +0.35 +0.09 +0.15 +0.20 MYCE (1 -1.25 -0.95 -1.10 -0.80	70.26 10.27 bs; certs 69.85 73.10 74.15 75.05 5,000bs 110.15 1 113.00 1	10.13 1 10.22 10.26 2 10.26 2 5/103 69.21 4 70.60 1 72.85 73.80 1 74.95 1 108.10 2 111.00 114.40	1,325 1 36 4 4,715 1 1,961 1 126 1,970 2 15 7,656 2 483 95 101 130	17,145 2,276 3,358 80,930 29,833 16,354 2,859 1,869 78,867 2,024 7,362 3,469 1,343	IN CRODE OIL FOB (per to Duhal Brent Bland (dated) Brent Bland (Mary) W.Y.L IN OIL PRODUCTS NWE pr Premiore Gasoline Gas OII Heavy Fuel Oil Naphthe Jet Nuel Diesel IN MATURAL GAS (Penceto Bacton (Apri	\$12 \$14 \$15 \$16 \$16 \$16 \$16 \$16 \$16 \$16 \$16 \$16 \$16	2.76-2.86 4.42-4.45 5.00-5 05 3.35-6.40 68very 07 138-139 561-63 146-148 147-149 142-143	x + + + + + + + + + + + + + + + + + + +	1.68 1.92 1.635 1.625 e) +22 +15 +2 +12 +15
ty ( COTT)  COTT  Sy ( COTT)  COTT  COTT  TY ( COTT)	10.25 10.27 1084 MYCE 681.69 71.04 73.03 74.04 75.00 1081.55 111 70 114.50 114.50	+0.04 +0.03 +0.31 +0.35 +0.09 +0.15 +0.20 MYCE (1 -1.25 -0.95 -1.10 -0.80	70.26 10.27 bs; certs 69.85 73.10 74.15 75.05 5,000bs 110.15 1 113.00 1	10.13 1 10.22 10.26 2 10.26 2 2 1 70.60 1 72.85 73.80 1 74.35 ; cests/b 111.00 114.40 116.00	325 1 36 4 4,715 1 1,961 1 126 1 1,970 3 1,970 3 1,970 3 483 95 101	17,145 2,276 3,358 80,930 29,833 16,354 2,859 1,869 78,867 2,024 7,362 3,402 3,403 1,343 749	IN CREDE GIL. FOR (per back) Duhal Brent Blend (dated) Grent Blend (May) W.T.I. III. Oil. PRODUCTS NWE pr Premiore Gasoline Gas Oil Heavy Fuel De Nachtre Jet fuel Diesel III. SATURAL GAS (Pencet)	\$12 \$14 \$15 \$16 \$16 \$16 \$16 \$16 \$16 \$16 \$16 \$16 \$16	2.76-2.86 4.42-4.45 5.00-5 05 3.35-6.40 68very 07 138-139 561-63 146-148 147-149 142-143	x + + + + + + + + + + + + + + + + + + +	1.68 1.685 1.625 1
ity italicami gy it to orani orani orani orani orani orani	10.25 10.27 1084 MYCE 69.69 71.04 72.03 74.04 75.00 108.95 111.70 114.50 116.00 117.25	+0.04 +0.03 +0.31 +0.35 +0.09 +0.15 +0.20 MYCE (1 -1.25 -0.95 -1.10 -0.80	70.26 10.27 bs; certs 69.85 73.10 74.15 75.05 5,000bs 110.15 1 113.00 1	10.13 1 10.22 10.26 2 10.26 2 2 1 70.60 1 72.85 73.80 1 74.35 ; cests/b 111.00 114.40 116.00	1,325 1 36 4 4,715 1 1,961 1 126 1,970 2 15 7,856 2 483 95 101 130 10	17,145 2,276 3,358 80,930 29,833 16,354 2,859 1,869 78,867 2,024 7,362 3,402 3,403 1,343 749	IN CRODE OIL FOB (per to Duhal Brent Bland (dated) Brent Bland (Mary) W.7.L IN OIL PRODUCTS NWE pr Premiore Gasoline Gas OII Heavy Fuel OII Naphifre Jet Nuel Diesol IN MATURAL GAS (Pencelli Bacton (Apri Provision April 76, Lindon IN OTHER	\$12 \$1: \$1: \$1: \$1: \$1: \$1: \$1: \$1: \$1: \$1:	2.76-2.86 4.42-4.45 5.00-5.03 6.35-6.40 68-170 138-139 561-63 146-148 147-149 142-143 70-8 80 839 8792	x + 1 + 1 + 1 + 1 + 1 + 1 + 1 + 1 + 1 +	1.68 1.192 1.635 1.625 1.625 1.625 1.15 1.15 1.15 1.16
ity italicami gy it to orani orani orani orani orani orani	10.25 10.27 1084 MYCE 69.69 71.04 72.03 74.04 75.00 108.95 111.70 114.50 116.00 117.25	+0.04 +0.03 +0.31 +0.35 +0.09 +0.15 +0.20 MYCE (1 -1.25 -0.95 -1.10 -0.80	70.26 10.27 bs; certs 69.85 73.10 74.15 75.05 5,000bs 110.15 1 113.00 1	10.13 1 10.22 10.26 2 10.26 2 2 1 70.60 1 72.85 73.80 1 74.35 ; cests/b 111.00 114.40 116.00	1,325 1 36 4 4,715 1 1,961 1 126 1,970 2 15 7,856 2 483 95 101 130 10	17,145 2,276 3,358 80,930 29,833 16,354 2,859 1,869 78,867 2,024 7,362 3,402 3,403 1,343 749	IN CRODE GIL. FOB (per to Duhal Brent Blend (dated) Brent Blend (May) W.T.L IN ONL PRODUCTS NWE pr Premiore Gasoline Gas	S12-S16-S12-S16-S16-S16-S16-S16-S16-S16-S16-S16-S16	2.76-2.86 4.42-4.45 5.00-3.03 5.00-3.03 56-40 668-170 138-139 561-63 145-148 147-149 142-143 70-8 80 859 8792 243-450c	**************************************	1.68 1.92 1.625 1.
ty i tal carrier	10.25 10.27 10.8 MYCE 69.68 71.04 73.03 74.04 75.00 108.55 71 70 114.50 114.50 117.25 119.25	+0.04 +0.03 +0.31 +0.35 +0.09 +0.15 +0.20 MYCE (1 -1.25 -0.95 -1.10 -0.80	70.26 10.27 bs; certs 69.85 73.10 74.15 75.05 5,000bs 110.15 1 113.00 1	10.13 1 10.22 10.26 2 10.26 2 2 1 70.60 1 72.85 73.80 1 74.35 ; cests/b 111.00 114.40 116.00	1,325 1 36 4 4,715 1 1,961 1 126 1,970 2 15 7,856 2 483 95 101 130 10	17,145 2,276 3,358 80,930 29,833 16,354 2,859 1,869 78,867 2,024 7,362 3,402 3,403 1,343 749	IN CREDE GIL. FOB (per to Duhal Brent Blend (dated) Brent Blend (Mary) W.T.L M. Oil. PRODUCTS NAVE promises Gasoline Gas On Heavy Fuel Dis Naphtha Jet fuel Dissel III SIATURAL GAS (Penceti Blacton (Apri Petrology Argus, Tel. Lindon III OTHER Gold (per troy cc) 4.	\$12 \$15 \$15 \$15 \$15 \$15 \$15 \$15 \$15 \$15 \$15	2.78-2.86 4.42-4.45 5.00-5.05 :35-6.40 olikvary CJ 1638-179 158-139 561-63 146-148 147-149 142-143 770-8 80 339 8782 24.50c 418.00	+3 +4 +4 +4 +4 +4 +4 +4 +4 +4 +4 +4 +4 +4	1.66 1.92 1.92 1.925 1.925 1.925 1.925 1.93 1.93 1.93 1.93 1.93 1.93 1.93 1.93
ty i tai Carri	10.25 10.27 10.87 71.04 73.03 74.04 75.00 108.55 11 70 114.50 117.25 119.25	+0.04 +0.03 +0.03 +0.15 +0.15 +0.20 WYCE (1 -1.25 -0.95 -1.10 -0.96 -0.60	74.26 10.27 10.27 89.85 cards 71.15 73.10 74.15 75.05 110.15 113.00 115.20 117.75 1	10.13 10.25 2 10.26 2 10.80s 69.21 4 70.80 72.85 73.80 101.00 114.40 116.00	325 1 36 4 4.7751 1.440 2 1.981 1 126 3 107 3 101 130 110 11	17,145 2,276 3,358 80,930 99,833 16,354 2,858 5,599 1,869 7,362 3,402 3,402 3,402 3,402 3,402 8,628	IN CREDE GIL FOB (per to Duhal Brent Blend (dated) brent Blend (Mary) W.7.1  M. Oil PRODUCTS MWE promiser Gasoline Gasol	STEEL	2.76-2.86 4.42-4.45 5.00-5.03 580-6.40 580-63 146-148 147-149 142-143 70-8 80 859 8782 24.50c 24.50c 288.00 885 0c	+3 +4 +4 +4 +4 +4 +4 +4 +4 +4 +4 +4 +4 +4	1.68 1.92 1.625 1.
that continue to the continue	10.255 10.27 TON MYCE 69.68 71.04 73.03 74.04 75.00 ISE JOHCE 108.55 111.70 114.50 116.00 117.25 119.25	+0.04 +0.03 +0.03 +0.03 +0.05	70.26 to centre for the first	10.13 10.25	325 1 36 4 4,7151 1,961 1 126 115 126 15 17,768 101 130 101 130 102 103 103 104 105 105 105 105 105 105 105 105 105 105	17,145	IN CRODE OIL FOB (per to Duhal Brent Bland (dated) Brent Bland (dated) Brent Bland (Alay) W.7.L III. OIL PRODUCTS NAVE provides OIL Hospy Fuel Oil Naphthe Jet Tuel Diesel MATURAL BAS (Pencett Bacton (Apri Produces Appes 76, Lineau III OTHER Gold (per troy oz.) Paledum (per troy oz.) Copper Lead (US prod.)	S120 S16	2.76-2.86 4.42-4.45 5.00-5.03 535-6.40 68hery D 138-139 561-63 146-148 147-149 142-143 70-8 80 859 8782 24.50c 418.00 285 0c 85 0c	+3 +4 +4 +4 +4 +4 +4 +4 +4 +4 +4 +4 +4 +4	1.66 1.92 1.92 1.925 1.925 1.925 1.925 1.93 1.93 1.93 1.93 1.93 1.93 1.93 1.93
tal Corri	10.25 10.27 TON MYCE 69.68 71.04 73.03 74.04 75.00 108.55 11 70 114.50 117.25 119.25	+0.04 +0.03 +0.31 +0.35 +0.09 +0.15 +0.09 +0.20 MYCE (1 -1.25 -1.10 -0.20 -1.00 -0.60	70.26 to centre 69.85 71.15 75.05 5.000ms 1117.75 1 1117.75 1 1117.75 1 2 2 2 3 X, CST, CST, CST, CST, CST, CST, CST, CST	10.13 10.25 2 2 10.26 2 10.26 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	325 1 36 4 4,7151 1,961 1 1,961 1 1,961 1 1,966 1 1,96	17,145	IN CREDE GIL FOB (per to Duhal Brent Bland (dated) Brent Bland (dated) Brent Bland (Mary) W.7.1 M. Oil. PROUNCTS MWE promises Gasoline Gas On Heavy Fuel Dis Naphthe Jet fluel Dissol M MATURAL GAS (Pencelli M MATURAL GAS (Pencelli M ATURAL GAS (Pencelli M OTHES) Gold (per troy oc.). Silver (per troy oc.). Palladum (per troy oc.). Palladum (per troy oc.). Copper Lead (US prod.) Tin (New York).	S120 S16	2.76-2.86 4.42-4.45 5.00-5.03 580-6.40 580-63 146-148 147-149 142-143 70-8 80 859 8782 24.50c 24.50c 288.00 885 0c	+3 +4 +4 +4 +4 +4 +4 +4 +4 +4 +4 +4 +4 +4	1.66 1.92 1.92 1.925 1.925 1.925 1.925 1.93 1.93 1.93 1.93 1.93 1.93 1.93 1.93
tal Corri	10.255 10.27 TON MYCE 69.68 71.04 73.03 74.04 75.00 ISE JOHCE 108.55 111.70 114.50 116.00 117.25 119.25	+0.04 +0.03 +0.31 +0.35 +0.09 +0.15 +0.09 +0.20 MYCE (1 -1.25 -1.10 -0.20 -1.00 -0.60	70.26 to centre 69.85 71.15 75.05 5.000ms 1117.75 1 1117.75 1 1117.75 1 2 2 2 3 X, CST, CST, CST, CST, CST, CST, CST, CST	10.13 10.25 2 2 10.26 2 10.26 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	325 1 36 4 4,7151 1,961 1 1,961 1 1,961 1 1,966 1 1,96	17,145	IN CRODE GIL FOB (per to Duhal Brent Bland (dated) Brent Bland (May) W.7.L III. ORL PRODUCTS NWE promises Gasoline Gasol	STEER	2.78-2.86 4.42-4.45 5.35-6.40 68-879 (7 68-179 581-63 146-148 147-143 70-8 80 70-8 80	* + + + + + + + + + + + + + + + + + + +	1.68 1.92 1.625 1.
open i	10.25 10.27 TORN MYCE 69.69 71.04 72.03 74.04 75.00 108.55 711.70 114.50 114.50 116.00 117.25 119.25	+0.04 +0.03 +0.31 +0.35 +0.09 +0.15 +0.09 +0.20 MYCE (1 -1.25 -1.10 -0.20 -1.00 -0.60	70.26 to centre 69.85 71.15 75.05 5.000ms 1117.75 1 1117.75 1 1117.75 1 2 2 2 3 X, CST, CST, CST, CST, CST, CST, CST, CST	10.13 10.25 2 2 10.26 2 10.26 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	325 1 36 4 4,7151 1,961 1 1,961 1 1,961 1 1,966 1 1,96	17,145	IN CREDE GIL FOB (per to Duhal Brent Bland (dated) Brent Bland (dated) Brent Bland (Mary) W.7.1 M. Oil. PROUNCTS MWE promises Gasoline Gas On Heavy Fuel Dis Naphthe Jet fluel Dissol M MATURAL GAS (Pencelli M MATURAL GAS (Pencelli M ATURAL GAS (Pencelli M OTHES) Gold (per troy oc.). Silver (per troy oc.). Palladum (per troy oc.). Palladum (per troy oc.). Copper Lead (US prod.) Tin (New York).	STEPRING STE	2.76-2.86 4.42-4.45 6.305-6.00 6.	* +1 +1 +1 +1 +1 +1 +1 +1 +1 +1 +1 +1 +1	1.66 1.92 1.825 1.
open i	10.25 10.27 TON MYCE 69.68 71.04 73.03 74.04 75.00 108.55 11 70 114.50 117.25 119.25	+0.04 +0.03 +0.31 +0.35 +0.09 +0.15 +0.09 +0.20 MYCE (1 -1.25 -1.10 -0.20 -1.00 -0.60	70.26 to centre 69.85 71.15 75.05 5.000ms 1117.75 1 1117.75 1 1117.75 1 2 2 2 3 X, CST, CST, CST, CST, CST, CST, CST, CST	10.13 10.25 2 2 10.26 2 10.26 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	325 1 36 4 4,7151 1,961 1 1,961 1 1,961 1 1,966 1 1,96	17,145	IN CRODE GIL FOB (per to Duhal Brent Blend (dated) Brent Blend (May) W.T.L IN ON PRODUCTS NWE pr Premiere Gasoline Gasol	\$12 \$12 \$12 \$12 \$12 \$12 \$12 \$12 \$12 \$12	2.78-2.86 4.42-4.45 5.00-3.03 60 mm of 10 163-170 163-	+1 +1 +1 +1 +1 +1 +1 +1 +1 +1 +1 +1 +1 +	1.66 1.92 1.625 1.
egy to the control of	10.25 10.27 TORN MYCE 69.69 71.04 72.03 74.04 75.00 108.55 711.70 114.50 114.50 116.00 117.25 119.25 119.25 119.25 119.25 119.25 119.25	+0.03 +0.31 +0.35 +0.35 +0.15 +0.20 MYCE (1 -1.25 -0.9	70.26 10.27 10.28 89.85 73.10 74.15 75.05 5,0000s 110.15 115.30 117.75 1	10.13 10.25 2 2 10.26 2 10.26 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	325 1 36 4 4,7151 1,961 1 126 1070 3 1070 3 101 130 101 130 1028 5 1028 5 1028 5 1028 5 1038 1038 1038 1038 1038 1038 1038 1038	17,145	IN CREDE GIL FOB (per to Duhal Brent Blend (dated) Brent Blend (dated) Brent Blend (Mary) W.7.1 III. OR. PRODUCTS NAVE promiser Gasoline Gas On Heavy Fuel Di Naphite Jet fuel Diesel III. BATURAL GAS (Pencett Bacton (Apri Perolum Argus, Tel. Lindon III. OTHERS Gold (per troy oc.)—Palledium (per troy oc.)—Palledium (per troy oc.)—Palledium (per troy oc.)—Palledium (per troy oc.)—This (Kinala Limpur) Tin (Kinala Limpur)	\$12 \$12 \$12 \$13 \$13 \$13 \$13 \$13 \$13 \$13 \$13 \$13 \$13	2.76-2.86 4.42-4.45 5.35-6.40 168-170 168-170 168-170 146-148 147-143 70-8 80 859 872 223, 45 224, 50 2418.00 255,00c 18.915 255,00c 19.915 10.06 10.07 10.06 10.07 10.06 10.07 10.0	+1 +1 +1 +1 +1 +1 +1 +1 +1 +1 +1 +1 +1 +	1.66 1.92 1.625 1.625 1.625 1.625 1.625 1.625 1.625 1.125 1.12 1.120 1.125 1.1
corries  Cor	10.255 10.27 TON MYCE 69.68 71.04 72.03 74.04 75.00 ISE JONCE 108.55 111 70 114.50 114.50 117.25 119.25 IT 9.25 IT 9.2	+0.04 +0.03 +0.31 +0.35 +0.09 +0.15 +0.09 +0.15 +0.20 MYCE (1 -1.25 -0.9	70.26 10.27 10.26 10.27 10.26 69.85 71.15 71.10 74.15 75.05 10.15 1113.00 1117.75 1 2 2 2 2 3 3 4 4 1117.75 1 1117.75 1 1117.75 1 1 1117.75 1 1 1117.75 1 1 1117.75 1 1 1117.75 1 1 1117.75 1 1 1117.75 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	10.13 10.25	325 1 36 4 4,715 1 4,440 2 1,961 1 1 26 6,070 5 1 5 1 5 1 5 1 5 1 5 1 5 1 5 1 5 1 5	17,145 2,276 2,276 2,358 30,839 9,833 14,897 2,034 2,5,599 1,7,897 2,034 2,5,599 1,7,407 1,7,407 1,828 1,7,407 1,828	IN CRODE GIL FOB (per to Duhal Brent Blend (dated) Brent Blend (May) W.7.L IN ON PRODUCTS NWE pr Premion Gasoline Gasoli	\$12 \$1.2 \$1.2 \$1.2 \$1.2 \$1.2 \$1.2 \$1.2 \$	2.76-2.86 4.42-4.45 6.00-3.03 600000 10 163-17	+1 +1 +1 +1 +1 +1 +1 +1 +1 +1 +1 +1 +1 +	1.66 1.92 1.92 1.92 1.92 1.92 1.92 1.92 1.92
tal Connection of the Connecti	10.255 10.27 TON MYCE 69.68 71.04 73.03 74.04 75.00 ISE JOICE 108.55 111.70 114.50 114.50 114.50 117.25 119.25  E DATA Interest am an COMBE E Crude Of Interest lat  CES 18 (Besse: 1	+0.04 +0.03 +0.31 +0.35 +0.09 +0.15 +0.09 +0.15 +0.20 MYCE (1 -1.25 -0.55 -0.55 -0.50 -0.5	70.26 10.27 bs: certs 69.85 71.16 73.10 74.15 75.05 10.15 113.00 117.75 117.75 117.75 117.75 117.75 117.75 117.75	10.13 10.25	325 1 36 4 4.7151 4.440 2	17,145 2,276 2,276 2,358 30,839 9,833 14,897 2,034 2,5,599 1,7,897 2,034 2,5,599 1,7,407 1,7,407 1,828 1,7,407 1,828	IN CRODE GIL FOB (per to Duhal Brent Bland (dated) Brent Bland (dated) W.7.L III. CRL PRODUCTS NWE provide Gasoline Gaso	\$12 S1.	2.78-2.86 delivery (7 Co. 2.78-2.86 delivery	+1 +1 +1 +1 +1 +1 +1 +1 +1 +1 +1 +1 +1 +	1.66 1.92 1.625 1.
CONTINUE TO THE PROPERTY OF T	10.25 10.27 TOTAL MYCE 69.69 71.04 75.00 74.04 75.00 108.55 711.70 114.50 114.50 114.50 116.00 117.25 119.25 119.25 119.25 119.25 119.25 119.25 119.25	+0.04 +0.03 +0.31 +0.35 +0.15 +0.20 MYCE (1 -1.25 -0.95 -1.10 -0.95 -0.9	70.26 10.27 bs: certs 69.85 71.16 73.10 74.15 75.05 10.15 113.00 117.75 117.75 117.75 117.75 117.75 117.75 117.75	10.13 10.25	325 1 36 4 4,715 1 4,440 2 1,981 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	17,145 2,276	IN CRODE GIL FOB (per to Duhal Brent Blend (dated) Brent Blend (May) W.7.1 III ON PRODUCTS NWE promison Gasoline Gasolin	\$12 \$1.51 \$1	2.76-2.86 4.42-4.45 5.35-6.00-9.00 9.35-6.00-9.00 9.35-6.00 9.35-6.19 9.35-6	+1 +1 +1 +1 +1 +1 +1 +1 +1 +1 +1 +1 +1 +	1.66 1.92 1.92 1.92 1.92 1.92 1.92 1.92 1.92
TOTAL PROCESS OF THE	10.255 10.27 TON MYCE 69.68 71.04 72.03 74.04 75.00 ISE JOHCE 108.55 711 70 114.50 114.50 114.50 117.25 119.25 IT 9.25	+0.03 +0.03 +0.31 +0.35 +0.35 +0.09 +0.15 +0.20 MYCE (1 -1.25 +0.20 1 Volume L NYME L NYME NYME NYME NYME NYME NYME NYME NYME	70.26 10.27 10.26 10.27 10.26 69.85 71.15 71.15 71.10 74.15 75.05 10.15 1171.7	10.13 10.25	325 1 36 4 4,715 1 4,440 2 1,961 1 1 26 6,070 5 1 5 1 5 1 5 1 5 1 5 1 5 1 5 1 5 1 5	17,145 2,276	IN CRODE GIL FOB (per to Duhal Brent Blend (dated) Brent Blend (Mary) W.7.L III. ORL PRODUCTS NWE promise Gasoline Gasol	\$12 \$1.51: \$1: \$1: \$1: \$1: \$1: \$1: \$1: \$1: \$1: \$	2.78-2.86 4.42-4.45 5.35-6.40 168-170 168-170 168-170 146-148 147-143 170-8 80 170-8 80 15.00c 15.00	x + + + + + + + + + + + + + + + + + + +	1.68 1.92 1.625 1.527 1.525 1.527 1.
TOTALIM TOTALI	10.255 10.27 TORN MYCE 69.68 71.04 73.03 74.04 75.00 ISE JOICE 108.55 111.70 114.50 114.50 114.50 117.25 119.25  E DATA Interest land an COMBE E Crude Of Interest land CES 15 (Basse: 13 16 (Basse: 13 16 (Basse: 13 17 18 18 18 18 18 18 18 18 18 18 18 18 18	+0.04 +0.03 +0.31 +0.35 +0.09 +0.15 +0.09 +0.15 +0.20 MYCE (1 -1.25 +0.20 MYCE (1 -0.95) -0.95 -	70.26 10.27 bs: certe 69.85 71.15 73.10 74.15 75.05 10.15 117.75	10.13 10.25	325 1 36 4 4,715 1 4,440 2 1,961 1 1 1 2 6 1 7,856 1 1 1 1 2 6 1 1 1 1 1 1 1 1 1 1 1 1 1	17,145 2,276	IN CRODE GIL FOB (per to Duhal Brent Blend (dated) Brent Blend (dated) Brent Blend (Mary) W.7.L III. OR. PRODUCTS NAVE promiser Gasoline G	\$12 \$1.51: \$1.51	2.76-2.86 4.42-4.45 5.35-6.00-9.00 9.35-6.00-9.00 9.35-6.00 9.35-6.19 9.35-6	x + + + + + + + + + + + + + + + + + + +	1.66 1.92 1.625 1.
TOTAL	10.25 10.27 10.8 MYCE 69.68 71.04 73.03 74.04 75.00 108.55 711.70 114.50 114.50 114.50 116.00 117.25 119.25 119.25 119.25 119.25 119.25 119.25 119.25 119.25 119.25 119.25 119.25 119.25 119.25 119.25 119.25 119.25 119.25	+0.03 +0.03 +0.31 +0.35 +0.35 +0.15 +0.20 MYCE (1 -1.25 +0.20 MYCE (1 -1.25 +0.20 1 Volume 1 -0.60 1 Volume 1 Volume 1 -0.60 1 Volume 1 Volume 1 -0.60 1 Volume 1 -0.60 1 -0.00 1 -0.00 1 -0.00 1 -0.00 1 -0.00 1 -0.00 1 -0.00 1 -0.00 1 -0.00 1 -0.00 1 -0.00 1 -0.00 1 -0.00 1 -0.00 1 -0.00 1 -0.00 1 -0.00 1 -0.00 1 1 -0.00 1 1 -0.00 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	70.26 10.27 10.26 10.27 10.26 69.85 71.15 71.15 71.10 74.15 75.05 10.15 1113.00 1117.75 1 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	10.13 10.25	325 1 36 4 4,715 1 4,440 2 1,981 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	17,145 2,276	IN CRODE GIL FOB (per to Duhal Brent Bland (dated) Brent Bland (dated) Brent Bland (dated) W.7.L  IN ON PRODUCTS NAVE promiser Gasoline Ga	\$12 \$1.51: \$1: \$1: \$1: \$1: \$1: \$1: \$1: \$1: \$1: \$	2.78-2.86 4.42-4.45 5.35-6.00-5.00 168-170 168-170 168-170 168-170 168-170 168-170 168-170 168-170 168-170 168-170 168-170 168-170 168-170 168-170 170 170 170 170 170 170 170 170 170	x + + + + + + + + + + + + + + + + + + +	1.68 1.92 1.625 1.527 1.525 1.527 1.
TOTAL	10.255 10.27 TON MYCE 69.68 71.04 72.03 74.04 75.00 108.55 711.70 114.50 114.50 114.50 114.50 114.50 114.50 114.50 114.50 116.00 117.25 119.25	+0.03 +0.03 +0.31 +0.35 +0.05 +0.15 +0.20 HYCE (1 -1.25 +0.20 HYCE (1 -1.25 +0.20 1 +0.15 +0.20 1 +0.15 +0.20 1 +0.15 +0.20 1 +0.35 +0.20 1 +0.35 +0.20 1 +0.35 +0.20 1 +0.35 +0.20 1 +0.35 +0.20 +0.15 +0.20 +0.2	70.26 10.27 bs: certs 69.85 77.15 77.310 74.15 75.05 100.15 1173.00 1177.75 1177.75 100 100.16 1771 7 = 1000 100.16 1791 1893 100.16	10.13 10.25	325 1 36 4 4,715 1 4,715 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	17,145 2,276	IN CRODE GIL FOB (per to Duhal Brent Blend (dated) Brent Blend (dated) Brent Blend (Mary) W.7.1 III. OR. PRODUCTS NAVE promiser Gasoline Gas On Heavy Fuel Di Naphifie Jet fuel Diesel III. Archive III. Or. PRODUCTS NAVE promiser Argus. Tel. Landon III. Or. PRODUCTS NAVE provision Argus. Tel. Landon III. Or. Argus. Tel. Landon III. Gast. (Per troy oz.) Palladium (per troy oz.) Pallad	\$12 \$1.51: \$1.51	2.76-2.86 4.42-4.45 4.42-4.5 6.325-6.00-3.00 6.325-6.170 6.325-6.130 6.325-6.1	** + + + + + + + + + + + + + + + + + +	1.66 1.92 1.625 1.
TOTAL PROCESS OF THE	10.25 10.27 10.27 10.27 10.27 10.27 10.27 10.27 11.20 17.04 17.00 116.00 117.25 119.25	+0.03 +0.31 +0.35 +0.35 +0.15 +0.20 MYCE (1 -1.25 -0.9	70.26 to 2010	10.13 10.25	325 1 36 4 4,7151 4,440 2 951 15 7,856 1 10 10 1,286 1 10 10 1,288 1 1957 7 9687 7 195	17,145 (2.75) (2	IN CRODE GIL FOB (per to Dubal Brent Blend (dated) frent Blend (dated) frent Blend (Mary) W.7.L M. OR. PRODUCTS NAVE promises Gasoline Gas	\$12 \$1.51: \$1.51	2.76-2.86 4.42-4.43 4.42-4.50 6.325-6.00-3.00 6.325-6.0	** + + + + + + + + + + + + + + + + + +	1.66 1.92 1.625 1.
CONTINUE TO THE PROPERTY OF TH	10.25 10.27 10.27 10.27 10.27 10.27 10.27 10.27 11.20 17.04 17.00 116.00 117.25 119.25	+0.04 +0.03 +0.03 +0.05 +0.05 +0.05 +0.05 +0.05 +0.05 -0.05 -1.05 -0.05 -1.00 -0.05 -1.00 -0.05 -1.00 -0.05 -1.00	70.26 10.27 bs: certs 69.85 77.35 77.310 74.15 75.05 101.15 117.7	10.13 10.25	325 1 36 4 4,715 1 4,440 2 1,981 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	17,145 (2.758)	IN CRODE GIL FOB (per to Duhal Brent Bland (dated) Brent Bland (dated) Brent Bland (dated) W.7.L III. ORL PRODUCTS NWE promiser Gasoline G	\$12 \$1.51: \$1: \$1: \$1: \$1: \$1: \$1: \$1: \$1: \$1: \$	2.78-2.86 4.42-4.45 1.50 5-6.0	** + + + + + + + + + + + + + + + + + +	1.66 1.92 1.92 1.92 1.92 1.92 1.92 1.92 1.92
TOTAL PROPERTY OF A PROPERTY O	10.25 10.27 10.27 10.27 10.27 10.27 10.27 10.27 11.20 17.04 17.00 116.00 117.25 119.25	+0.03 +0.03 +0.31 +0.35 +0.35 +0.15 +0.20 MYDE (1 -1.25 +0.20 1 Volume 1 Vo	70.26 10.27 bx certs 69.85 77.310 74.15 75.05 5,000bs 110.15 1113.00 1117.75 1 earl 11 177 2 100 month 179 189 189 189 189 189 189 189 189	10.13   10.25	325 1 36 4 4.7151 4.440 2 95 101 10 10 10 10 10 10 10 10 10 10 10 10	17,145 2,276	IN CRODE GIL FOB (per to Dubal Brent Blend (dated) frent Blend (dated) frent Blend (Mary) W.7.L M. OR. PRODUCTS NAVE promises Gasoline Gas	\$12 \$1.51: \$1: \$1: \$1: \$1: \$1: \$1: \$1: \$1: \$1: \$	2.78-2.86 4.42-4.45 1.50 5-6.0	** + + + + + + + + + + + + + + + + + +	1.66 1.92 1.625 1.
Py I sale COTY I s	10.25 10.27 10.27 10.27 10.27 10.27 10.27 10.27 11.20 17.04 17.00 116.00 117.25 119.25	+0.04 +0.03 +0.31 +0.05 +0.05 +0.05 +0.05 +0.05 +0.05 -1.05 -1.05 -1.06	70.26 10.27 10.25 10.27 10.27 71.15 71.15 75.05 10.15 117.75 117.	10.13 10.25	325 1 36 4 4,7151 4,440 2 1,981 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	17,145 2,276	IN CRODE GIL FOB (per to Duhal Brent Bland (dated) Brent Bland (dated) W.7.L III. CRL PRODUCTS NWE promiser Gasoline Gas	\$12 \$1.51: \$1: \$1: \$1: \$1: \$1: \$1: \$1: \$1: \$1: \$	2.78-2.86 4.42-4.45 1.50 5-6.0	** + + + + + + + + + + + + + + + + + +	1.66 1.92 1.625 1.





standing beside bar (8) 5 As arranged, keep up the maintenance (6) 9 Wine found in many picnic baskets (8) 10 Girl seen in Soviet space station one morning (6) 12 Keeping dry wine? (5) 13 This may point out a direction - but not east (9) 14 Manages to rope in live art-16 Delay a defeat (3-4) 19 You can't get out if these 11 Final date in the Julian calare not kept open (7) 21 Wiseacre makes a wittl-cism, spoken in French (6) 23 Making a bolt for one pelmet, perhaps (9)

25 Am in a confused state it's a mental illness (5) 26 Ignorant and under a mis- 20 Next year grass court conception (6)
27 To surpass score is excellast (25)
28 player (4)
29 player (4)
21 Dip in the road is a problent (3-5)

28 Proceeded to take legal

22 Get me out one wood and

endar? (4) 15 Clear estimate follows for mer one (9) 17 A right rotten seat puts one off (9) 18 A variety of tuberose, I

not having money in the

3 Rising professional in the

4 Difficulties in which a

6 Royal offspring not up to

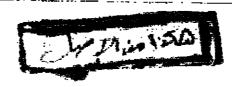
coastal navigator may find

bank (2-7)

university (9)

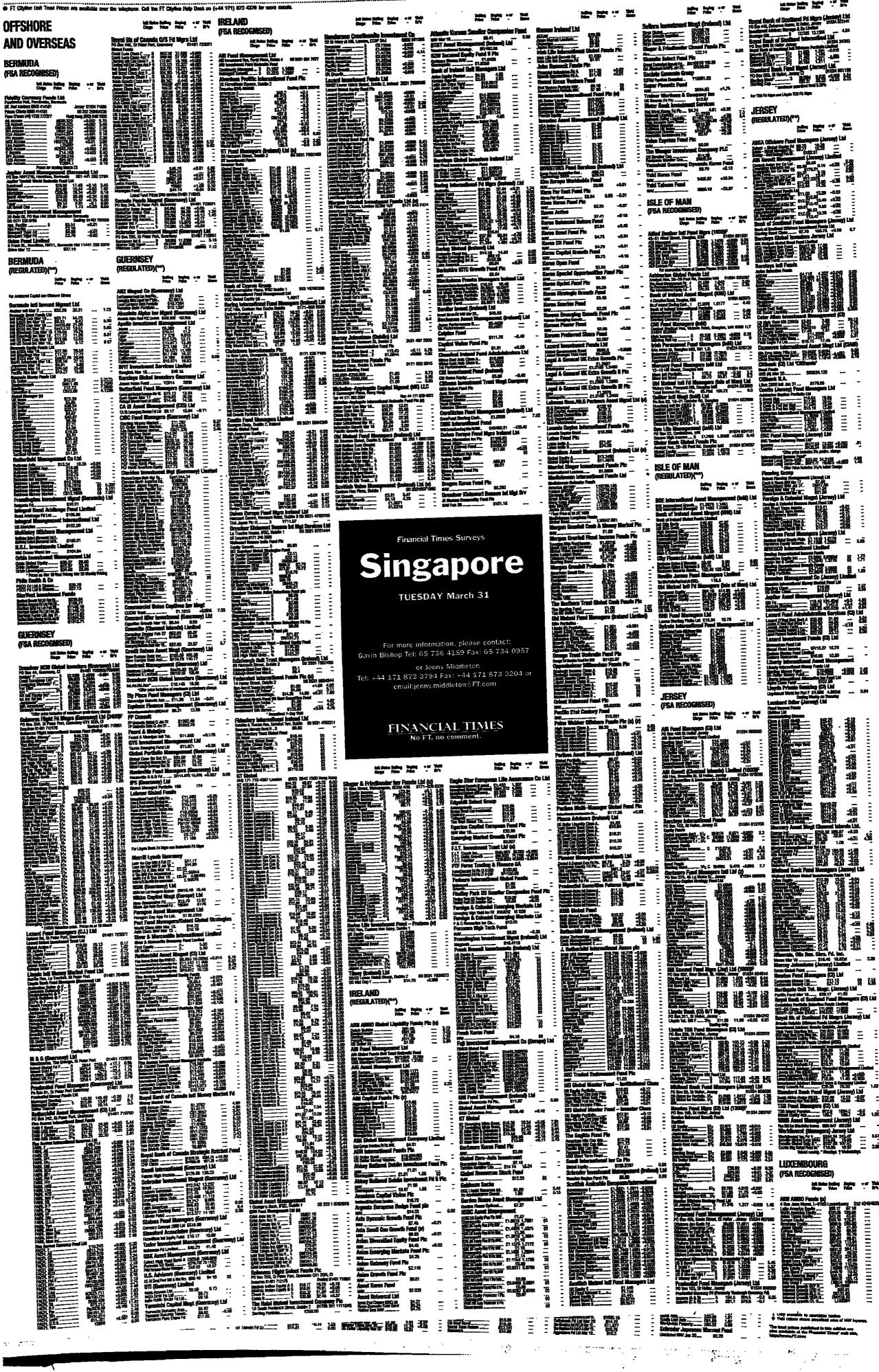
7 Are no longer first (5) 8 Welsh town in which the

action in the end (6)
29 I need to think, and I want
24 Imagined monsters, disturbed, rose about midnight (5) 25 A wee drop in the bar (5) Solution to Saturday's prize puzzle on Saturday April 4. Solution to yesterday's prize puzzle on Monday April 6.



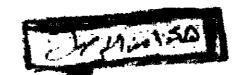
cut outpu

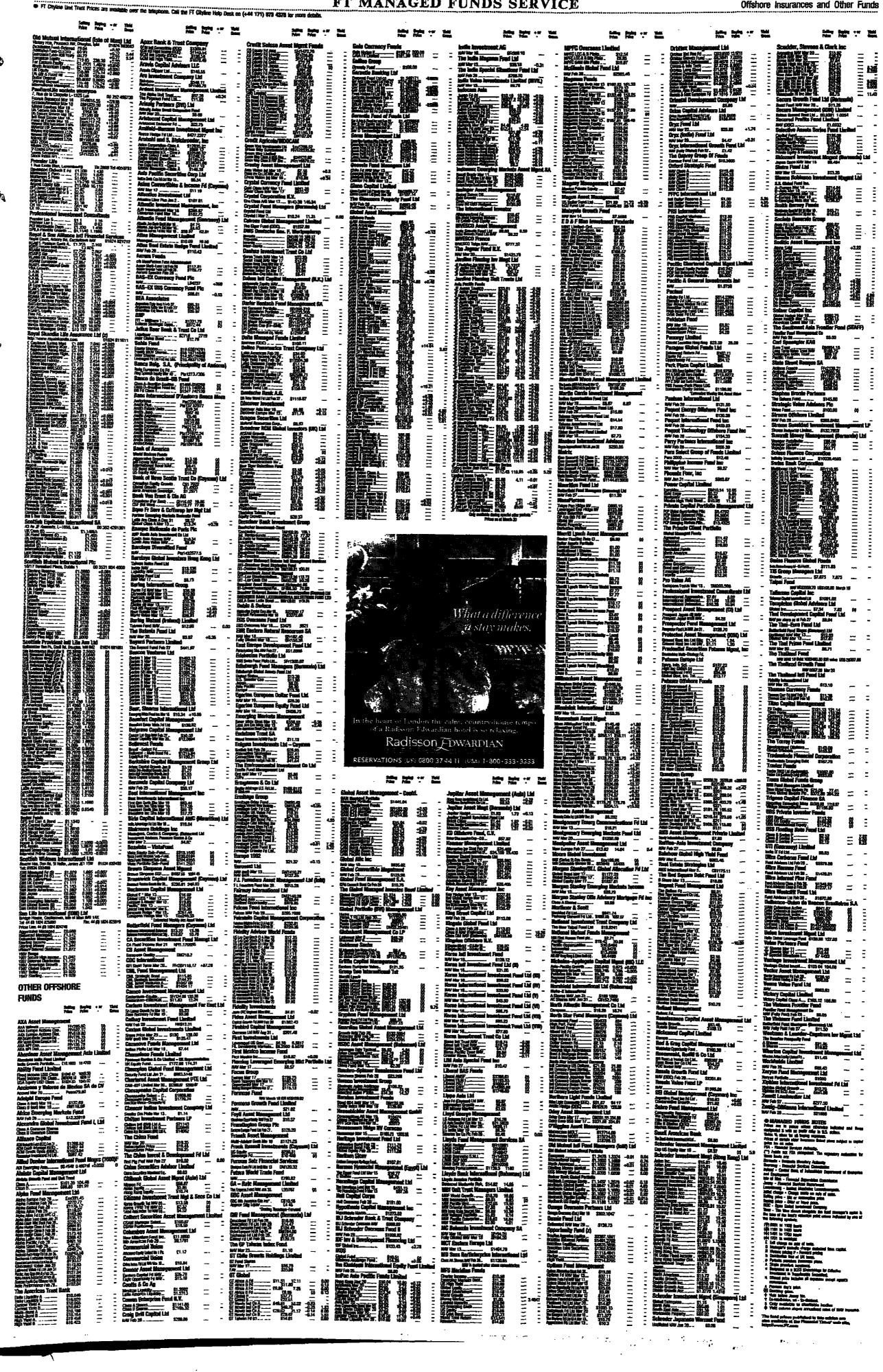
action suffers shortage



POTTER STATE

FT Chydne Unit Trust Prices are evaluable over the telephone. Call the FT Chydne Help De	***************************************	ED FUNDS SERVICE	-bold ( pg control 2009 y 14 42 Prophosy und a second and a f   1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	
tof lating Solling Busing +er Yfald ball Notes Acting Suping + or Clarge Price Price - O'l Clarge Price Price -	LUXEMBOURG (REGULATED)(**)	Spilling Buying + in Yabil Si Price Poles - Bross Pr	sing Beyling +4° 1046 Saling Beyling +9° 104 100 Pilot Salina Pilot Pilot Bir Daniel Daniel (Personalista - Christi)	Equilable Life (intermetonal)
The Chylme Unit Trust Proces are emulation over the telephone. Call the FT Chylme Help De Chymne Prince Pri	Column   C	Compared to the compared to	A STATE OF THE PROPERTY OF THE	Section   Sect
Transport   Tran	Genet Speed A	Service United Service Control of Committee Control	## 40.22   Section Foundary   17.47   13.84   40.65   0   0   1   1   1   1   1   1   1   1	Anthrop Market   St. Dec.   1.198





LONDON SHARE SERVICE | 1002 | 677 | 71 | 101 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 **电影器电影器的现在分词** 1.吃一百萬二 A STANCE TREES TO SECURE SECUR Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan Pote 1920
Alexan 不是一种现在分词的对象的。这一种特别的,我们也是有一种的,我们也是有一种的,我们也是一种的,我们也是一种的,我们也是一种的,我们也是一种的,我们也可以是一种的, Earn MONEY MARKET RATES On your Money NOW! Call the Cater Allen **Money Market Hotline** 100s 1,322 722 1,316 2,343 783 3,833 3,833 3,833 3,833 3,833 3,833 3,833 0800 716 177

differed to as the Totas Disposed Account. Wildelended of all or part of a deposed price to energical deposed filters and the quarted interest one will not be achieved. The standard by Carte Allon Limanol. Registered to Registered to SIGNIT. Registered to Register Allon SIGNIT. Registered to SIGNIT. Registered to SIGNIT. Registered to SIGNIT. CATER ALLEN
For pumple who
are stenous,
about their money,
the cost to Case Allen Bar
ECN 900 "Member of the Ast CHEMICALS

AND PRODUCTION

AND 



在 Sen to the sen to t

LEISURE & HOTELS

LIFE ASSURANCE

MEDIA

| Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Sect

VM Dis or Br's MW Perls W Perls W Perls W Perls V Perl

GARDE TO LONDON SRAFE SERVICE

| Frical and tradeg volumes for the Lunchs Stern Service are children by the Stand, part of Prescribt Them information.
| Stand, part of Prescribt Them information to the Stand, part of Prescribt Them information.
| Stand, part of Prescribt Them information was been on them on the Prescribe Them information. | Standard Them information and current ments of 1 part in 18-18. | 10 dates mentioned and current ments of 1 part in 18-18. | 10 dates mentioned and current ments of 1 part in 18-18. | 10 dates mentioned and current ments of 1 part in 18-18. | 10 dates mentioned and current ments of 1 part in 18-18. | 10 dates mentioned and current ments of 1 part in 18-18. | 10 dates mentioned and current ments of 1 part in 18-18. | 10 dates mentioned and part in 18-18. | 10

・イドのアナケーはできずである。 ・イドのアナト はできずである。

幾

AMERICANS

## Sterling strength caps oil-fuelled Footsie gains

MARKET REPORT

By Steve Thompson. UK Stock Market Editor

Any chances of a quiet start to the week in UK equities. after last Friday's fireworks, disappeared with news of the deal agreed over the weekend by Saudi Arabia, Mexico and Venezuela to cut their oil output.

That news saw oil prices surge and transformed the oil sector, which has underperformed the market by a wide margin over recent

encouraged a bout of sus- tenth consecutive high. tained profit taking in many front-line stocks.

At the close, Footsie ended hit 6,023.1 at the day's best. London was not helped by a poor opening on Wall Street. where the Dow Jones Industrial Average dipped more than 50 points not long after the start of trade.

Second-line stocks, repreclosed below the day's best. but never really threatened

sector could prevent an over- to dip into negative ground. The rise in sterling was as dealers scrambled to fill all slide in the FTSE 100 The index settled 9.5 up at a caused in part by the reac- in short positions in the secindex yesterday, as a further record close of 5.525, after tion of foreign exchange appreciation in sterling hitting a peak of 5.529.1, its

The FTSE SmallCap delivered a more sedate performance, but, like the 250 9.3 lower at 5.947.0, having index. was always well underpinned by buyers, closing 2.6 up at a record close of 2..610.5. At its best, the index touched 2.611.9.

Sterling's latest upward move was instrumental in capping an initial oil-fuelled surge in the FTSE 100 that sented by the FTSE 250, pushed back past 6,000, only to fall back below that level in less than an hour.

breathtaking performance, racing ahead from the outset

and expectations that Euro-

embrace currencies of some

In mid-afternoon, the Bank

of England's trade-weighted

index reached 107.9, its high-

est reading for at least nine

economies, such as Italy.

markets to the sacking of most favoured by US investhe entire Russian government by President Yeltsin tors, and dealers said Wall but also by strong oil prices Street's surge on Friday. when the Dow Jones Induspean monetary union will trial Average shot up 103 points to top 8,900, would of the perceived weaker have increased the unside pressure on BP and Shell.

Gains in the four oil stocks included in the FTSE 100 accounted for 36 points on the index, with BP's 7 per cent rise alone worth over 21 Oil shares delivered a points and Shell's 4 per cent gain accounting for a further

it unveiled results in line

came from companies based

ing sector, GKN saw profit-

£15.58, with 19p of the fall accounted for by the stock

Meggitt gained 9 to 2041/ap

Caradon suffered the worst performance in the

rendered more than 8 per

cent, or 17, to 188p after its

exceptional charges took

their toll and the underlying

result was more in line with

forecasts. However, it was

The building materials

results.

going ex-dividend.

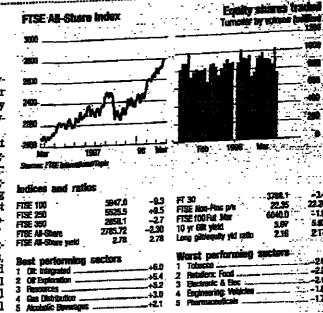
Meggitt results

with expectations at £112m.

ever, it was hard going for the leading stocks, especially The sector is among those hig exporters and currencysensitive companies.

But the UK equity team at CSFB sounded an encouraging note, commenting: "While not formally changing our once bullish-looking end year target of 6,000 just yet, lots of cash and no supply points to an overshoot." Turnover at the 6pm cut-

off point was 800m shares, with that number boosted considerably by exceptional activity in oils, where a total of 70m shares in BP, Shell and Centrica changed hands.



#### **BP** stars as oils shine

COMPANIES REPORT By Joel Kibazo and Martin Brice

The spotlight was firmly fixed on oils as the sector agreement by three leading producers to cut crude oil

Saudi Arabia, Venezuela and Mexico agreed to cut surplus output in a deal which could pave the way for as much as 2m barrels a day being withdrawn from the oversupplied world oil markets.

News of the deal triggered a rally in world oil prices and a buying spree among oil stocks that helped to prevent a sharper decline in the overall market.

Oil stocks provided the four best performers in Footsie. British Petroleum headed that list after the shares jumped 661/2 to 9331/2p. Volume was a hefty 20m.

That strong advance also followed a press report saying the UK oil giant is planning to buy Imperial Chemical Industries' petrochemical plant at Wilton. Cleveland. The plant is up for sale in the last stage of the disposal of ICTs industrial chemicals business.

Sentiment in BP was further enhanced by HSBC James Capel upgrading the

stock from "hold" to "buy". The broker made the same recommendation in Lasmo. which was the second best performer in the FTSE 100. Steve Turner at James Capel said the move was "in recognition of the likely recovery in oil prices back to the traditional \$17 to \$18 a barrel

Also, the first feedback ment to cut oil production, Lasmo's Pakistan operations now underway was said by one broker to be "very good indeed. They are building a business which could put between 40p and 50p on the share price." The shares closed 191/2 ahead at 2911/4p.

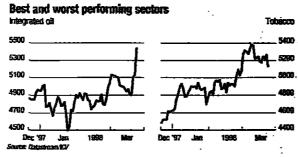
Other oil-related stocks in demand included Enterprise UK which gained 1834 to 453p. BG. which also has an oil exploration and production business, benefited from yesterday's positive sentiment in the oil sector. The shares added 14 to 3131/ap. Commenting on the agree-

from the analysts' trip to John Toalster at SG Securities said: "There is a possibility of a reasonably balanced market over the next three months. But it is important to note that they (the oil producers) are only cutting back from from their recent production levels not

FT 30:1	NDEX				<b>3</b> 8		N.	N.
	Mar 23	Mar 20	Mar 19	Mar 18	Mar 17	Yr ago	"High	1,0w
FT 30	3768.1	3771.5	3796.7	3763.2	3711.6	2788.9	3796.7	3756.5
Ord. div. yield	2.93	2.92	2.90	292	2.96	4.05	4,22	2.90
P/E ratio net	24.21	24.25	24,48	24.30	23.96	17.15	24.48	15.80
P/E ratio ne	24.00	24.03	24.26	24.08	23,75	16,94	24.26	15,71
FT 30 since complain	lac ligh 37%	7 19/03/98	bper 49 4 2	enevan be	se Dans. 147	735		

Open 9 10 11 12 13 14 15 10 mgs 1571.0 3793.8 3771.6 3753.5 3756.5 3756.9 3761.2 3771.4 3778.4 3772.8 3797.8 3756.5

	Mar 23	Mar 20	Mar 19	Maar 18	Mar 17	Yr ago
SEAC bargains	78,118	111.04	72.633	71,770	91,996	60.364
Equity furnover (Det)†		3279.4	3558.0	3288.1	3460.3	3032.5
Equity bargainst	-	71,899	65,454	83,708	83,721	58,299
Shares traded (m)†	-	820.4	904.3	927.7	941.4	913.1
Total market bargainst	-	104,114	76.053	77.016	97,090	na
Total turnover (2mit	-	4982.3	4829.6	4681.5	4574.5	па
fotal shre traded (mjt	752.9	<b>‡1120.4</b>	<b>\$1141.0</b>	<b>‡1170.3</b>	<b>‡1217.4</b>	TI2
(Fadeooint turnover (Em)	33.9	43.7	24.6	28.7	24.2	1.4
Tradepoint stys traded	9.800	12.086	8.863	9.391	5.683	721
(Eschelles later-seatest and on	5366 JUIDA	bel lectudes	Creat Lumpse	*UK onle	total as Gamu	# LEK mins



necessarily to agreed quota tered a touch of profit-taking levels." ICI shares gave up 7 and was off 2 at 460%p after to £10.65.

to £19.63, with sentiment in It pointed out that only 4 per the stock helped by continuing hopes of consolidation in the sector and an announce- in Asia and weak Asian curment that it had produced a rencies were a good opportu-\$54m profit from the sale of nity for exporting.
Orion, a US satellite comElsewhere in the engineer-

The old talk of a merger taking and was off 48 at with GEC, down 151/2 at 448p, was encouraged by a weekend press report that the UK government was ready to back a merger of the two. While sector specialists have often talked of such a move, they said the noises coming as it entered the FTSE 250, from inside the government with results due out today suggested a get-together expected to be strong. could occur later this year.

Some engineering stocks had a good day as figures FTSE 250 as the stock sur-Morgan Crucible from seemed to ease investor fears of the effect of Asian turmoil that saw the sector marked down savagely in recent group produced a pre-tax figmonths. Sector specialists have been telling clients that the sell-off was largely overdone, particularly in the close season run-up to the

Morgan Crucible encoun-

ure of £153m, disappointingly lower than the consensus of £169m, although

> the lack of news on big disposals and few hints of their toll on the stock.

shares gained 3 to £11.78. oil through Iran.

highlighted that the stock was trading at a 15 per cent discount to Halifax down 7 to 9351/sp. Alliance & Leicester

Dealers said Warburg had

shares came under pressure. eventually finishing the session a net 12% off at 907%p. on turnover of 1.4m, after "take profits" advice in one Sunday newspaper. Specialists said competition in the mortgage business was intensifying and that the long-expected consolidation in the banking sector had not appeared.

In the rest of the sector Royal Bank of Scotland fell 23 to 920p, while Lloyds TSB eased 18 to 943p. Shares in Savoy yesterday

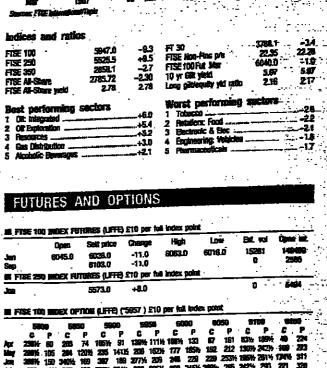
responded to last week's reports suggesting New York-based investment bank Blackstone Group had made a £520m bid for the group. The "A" shares gained 1371/2 or 7.86 per cent to £18.87%, making them one of the best performers in the FTSE 250. The stock was strong on Friday after the UK hotels group said it had received a

number of approaches that might lead to an offer. As well as the Savoy, the group includes London's Connaught, Berkeley and

Claridge's hotels. Biotechnology group Scotia Holdings eased 121/2 to 272½p as the market digested news of last week's £50m convertible bond issue which was substantially

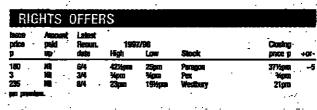
over-subscribed. Roxboro Group, the Cambridge-based controls technology company, was up 18 at 217%p after strong results and the announcement of a share buy-back.

Positive news helped make strong trading that took Monument Oil and Gas the best performing stock in the In banks, Abbey National FTSE 250. The shares hardtrend on talk that analysts The UK independent exploat SBC Warburg Dillon Read ration company confirmed it had upgraded the stock to had struck an innovative "buy" from "hold". The deal involving the export of



III BURO STYLE FISE 180 MIDEX OPTION (LIFFE) £10 per full ladex poet 430 370

190 100 Athent 2 VCT 471% Guardian II 244 filestion Gro 189 Mosecon 41216 Oxford Asympto - 205



5.87 2.58 1.22 1278.57 +1.1 1265.24 1975.42 1002.07 +0.1 1001.22 1616.25 37.45 1616.25 864.88

#### http://www.unioncal.com X. FUTURES & OPTIONS 24 HOURS 0171 522 3333 sfa regulated

BERKELEY FUTURES LIMITED 38 DOVER STREET, LONDON WIX 3RB TEL: 0171 629 1133 FAX: 0171 495 0022 http://www.bl.co.nk



£5.£25
Pubures & Options, round-burn 0800-262-472 London: 9171-247-1701 Gernany: 9130-818100 Switzerland: 96 00 55 83 38 www.lind-waldock.com

mini REUTERS

80 88 88 0080 PHILIPS ET?





The FT GUIDE TO WORLD CURRENCIES, published in Monday's following number from the handset of your fax machine, 9891 437 001.

Calls are charged at 50p/min at all times. For more information

FX - Money Markets - Swaps Bonds - Market Comment - News www.moneyandbonds.com One month free trial for new users

please phone 0171-873 4378. (Cityline help desk)

If you would like to advertise. or require any further information, please contact: Jeremy Nelson Tel: 0171-873-3447

Fax: 0171-873-3062



All Futures, Options & Margined Forex

ON GLOBAL FUTURES TRADEIG FLOORS NOW AVAILABLE TO PRIVATE INVESTORS. ED&F MAN DIRECT CALL NOW FOR MARKS BUPORMATION G 0500 565717

REAL-TIME ELECTRONIC FOREX DEALING www.forex-cmc.co.uk E-Mail: rager2/3 forex-cmc.co.uk • Tel: +44 (0)1992 535550

Capital Gains Tax cm For current prices: Teletest Channel 4 page 699 or brachure and application form call: 0171-550 8500

**A**rgus Lat**A**m Energy Petroleum Argus

WANT TO KNOW A SECRET? The LD.S./G.M.L. Seminar will show you how the markets REALLY work. The and contain your losses. How? That's the secret. BOOK YOUR FREE PLACE PHONE 0161 474 0080 tensed by Geon Management Lab tor SPA - regulated trading actobility of Internation Data Services Lab.

Market-Eye Real-lime equities, futures, options

Market-Eye and news from enly £54 per months Freephone 0800 321 321 B DATASTREAM/ICV www.market-eye.co.uk

Linnco

Regulated by the SFA

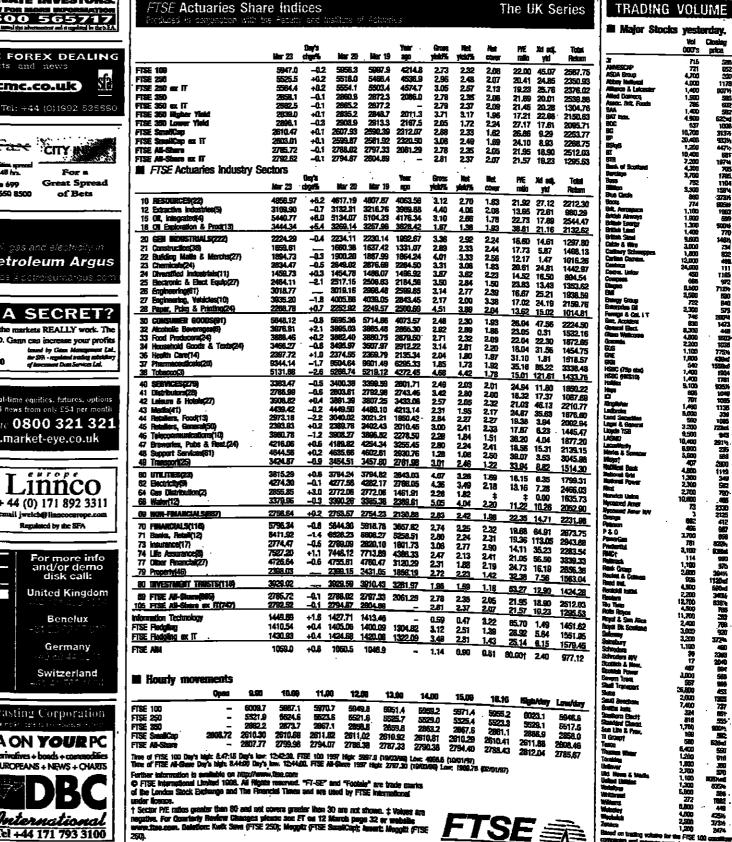
**FUTURES DATA?** 

FREE ACCESS

TO REAL TIME

United Kingdom RealTime Global Coverage: Germany of Shares, Currencies, Bonds, Futures & Options. Commodities. Switzerland Research & Commentary and News

From Data Broadcasting Corporation REAL-TIME DATA ON **YOUR** PC S.A. equitins + futures + options + durinatives + bonds + commodifies ALL AMERICANS + FOREX + BUROPEANS + NEWS + CHARIS IN YOUR COUNTRY NOW 70 Countries across Europe, the Middle East and Africa - from Iceland to Moscow, from Finland to Yemen International www.dbceuro.com Tel +44 171 793 3100



·c

The state of the s

•

1





FINA	NCIAL T	TMES	TUE	SDAY	MARC	CH 24
Highs &	Lows show	YNG DAG				
EURÓPE AUSTRIA (Mar 2	23 / Sch)	00000	TUS 38,55 Tigris 403,70 Dick 787 Teent 305,50 Irin 550	-15 39.30 2 +2.70 427 30 -2 1.050	8.20 2.6 1.1 11.10 2.4 22.4 530 2.0 26.3	Vebe VEW
Ausfür STE.55 ATabuk 684.50 BNIT 2,525 BNASS 891 Blokeff 868	3 / Sch)  +11.85 71.85 14.15  -5.50 71.6 18.52 13.87  -5.50 71.6 18.52 13.87  -5.50 71.6 18.52 13.87  -6.10 1.00 13.80 13.80  -18.90 23.40 13.80  -18.90 12.80 12.80	1.3 6.8 G 1.0 32.8 G	isang 60316 Bayan 3,086 Feef 117,50 LyCi 610	-13 656 37 +34 1.086 -66 3,499 2 -1.70 496 +40 127.90	726 24 183 726 24 183 160 09 28 2 282 1.4 25.8 60 \$.1	VW Pr Water Zofpap
BUNG 841.90 Brauth 787 EA Gun 4,220 EM 1,870.70 EntON 755ar	-10.10 1.003 626 +4 91 585 -20 4.630 2.700 -14.30 1.950 1.207 +5 7829 610	31 04 00 25 150 00 04 361 00 13 180 00	mart 4 <u>000</u> man 1,388 mar 1,388 mar 2,38 mar 2,38 mar 131,60 mar 131,60	-24 5,140 3 -17 1,418 -5.50 -256 11 -14 827 +80 182	17 14 8 788 12 300 788 04 789 04 505 19 192	Alphi2: Corposition
Lescon 820 Lephan 287 Mays M 785 OMM 1,877.80 Oost B 790	-5 945 5029 -6 945 5029 -1 355 209 +1870 798 57020 +8480 1,948 1,254 +10 860 565	113 8 113 8 2222 6 1529 6	Tops 400,20 Reps 201 ACR 712 Smot 243 SSay 1,161	+20 415 +35 824 +32 779 +1 349 +1 175	230 3.6 516 1.8 29.2 468 2.7 217 2.7 12.2 735 2.8 18.2	Engalite Healite Healite Healite Healite
Chelle A 1,295.10 Review? 511.80 SheyrD 483 Unit B 450 VA Tec 1,848 VolAl: 550	+15.80 1.820 838.50 +15.80 562 412 -4 494 243 -8.10 480 409 +31 2,735 1,597	11 35.6 E 29 14.2 E 12 - E 13 - E 15 22.0 F	2,030 petr 2,861 rDisa 10,15 pota 5,50nc 1040 514	-77 2 166 L -64 2 670 2 + 10 10 25 L + 15 8 95 S	778 17 see 175 18 see 175 18 see 180 - 300 287 13 28,4	HALY (M
VA SI 508 WSuP? 1,400 Wienby 2,585	-865340 420 -1,820 450 -27 2,766 2,097	2.4 10.0 Fr 2.1 Fr 1.5 29.0 69	nelly E7? Tello 30\$,20 nBel 4,900 C 571 Olaf 4,027 sommat 432	+16 587 -3.90 3946 +40 4,994 3 +6 582 -106 4,318 2 -4 492	677 22 59.7 187 2.1 29.5 960 1.0 19.1 479 1.4 25.9 050 5.3 9.6 308 1.2 30.0	ADR ABITES MEANI Amilia BCCINSV
Actorns 14,425 Alcol 2,555 Accol 4,700	+175 15,050 8,150 +30 2,645 1303 -60 5,650 3,410	0.5 28.0 Gr	2,808 2,808 1979 844 1949 221,80 1967 696 1967 441,80 1987 945	+1 2,855 2, +44 919 -2.50 28171 15 -4 703 -8 464 -6 1,120	120 20 20 20 20 440	Bolota Bolota Brist Bristag B Rota Betogl
Bidal: 48,500 bGal-Pt 71,550 Braitts 62,700 Batto 9,480 Bolet 27,900al	+50 1,580 1,258 +50 48,500 34,000 +50 71,950 54,000 +400 67,950 50,500 +90 9,580 5,480 +250 28,230 20,000	1.5 - 16 1.7 28.5 fm 3.6 - 16 0.5 - 16 1.8 27.2 55	and 948 and 948 and 834 and 451 and 725 bal 184,10	-3 540 35 +11 997 -7 897 +2 456 31 -30 770 -4 245 14	8.50 1.7 24.3 890 1.5 49.5 680 1.9 20.2 1.20 1.7 692 7.7 12.9 8.30 10.5 10.4	CIR All Burgo CIR All Brigant Brigant Brigant Brigan Brigan Brigan
CMS 2,925 Cobepe 2,100 Cress 214 Cobyt 25,800 Decatck 9,500	+125 3,940 2,820 +5 3,940 2,250 2,145 1,294 -2 231 124 +450 25,910 13,750 +300 9,500 6,300	10 20.5 45 10.2 15.3 14 2.0 15.3 14 0.5 45.0 16 0.6 57.1 10	nt 1,501 M644 1,823 Mai 1,900 Irge 536 antirit 2,741	+1 1,540 1, -8 1,850 -, 1,989 1, +10 543 +2,90 227,50 14 -29 2,850 1,	,150 1.0 36.5 874 1.7 31.1 211 1.1 36.8 330 2.1 18.7 730 1.8 22.3 794 0.5 63.0	CaffSp Gooter Caffs Caffst Cr R Cr R
Denie 2,490 Denie 5,560 Blacko 9,750 Blacko 4,250 Fortio# 17,125 884 6,420	-20 2,580 1,420 +10 5,860 3,405 -20 10,00 7,200 +50 4,290 3,050 -30 11,392 5,800 +40 6,480 4,725	1.1 29.8 15 1.6 21.1 16 3.6 23.1 16 2.5 5.9 Mg 4.9 31.3 Mg	prof. 1,584 orts 281 hbs 350,10 min. 168 ods 424,50	-40 46150 -41 1,714 -2 294 -8 30 408,00 27 -3 30 167,90 +2 50 452	305 1.3 24.2 905 0.8 54.3 190 1.9 21.8 3.80 1.1 14.5 117 280 2.4 63.3	Delot Edi Edicon Flat Flater Flat it
68 Sp 1,880 Sending 19,000 Sending 4,950 Sending 2,185 Chickel 5,050 Bed 2,480	-6 1,990 1,350 -60 19,400 11,825 +30 4,850 2,650 +15 2,250 1,825 -30 6,050 4,035 -5 2,450 1,288	1.7 22 20 3 22 1.8 22 21 14.0 22	y ED 4,515 rife 370 ribus 562 the 1,287 chapt4 273,00	-1.50 150 10 -45 5,790 3 +48.90 370 +5 801 35 -27 1,454 -4 40 310 18	810 4.3 200 2.0 33.5 240 2.0 0.10 2.4 14 9 954 0.8 55.1 5.50 1.5	Finder Foder Genina Genina FIPL 161 Pr
izmobi 2.510 Kritok 19.800 Miczyar 15.250 Pilles 13.850 Pydłes 6,810 Onick T.840	+6 2,750 2,110 +100 20,700 11,750 +360 15,500 10,900 +300 15,800 11,575 +210 6,700 4,805	15 203 Pa 15 203 Pa 14 38.5 Pa 25 Pa 18 27.4 Pa	belin 145 178c 436 1977 4,188 1797 4,188 1792 533 1774 2,766	-9 20 465 -7 980 -57 4,509 2, +8 600 -14 2,871 1,	84 1.7 237 22 307 532 63 84.9 175 09 35.7 371 1.6 28.0 721 06 42.3	FILS Mine Management
Resid 452 RyBelg 13,400 Socian 6,600 Softon 32,900 Softon 3,250 Softon 2,800	-8 500 533 +150 13,450 8,150 +340 8,500 5,500 -50 33,400 20,000 +50 3,365 2,275	25 25.3 Re 1.8 - Re 2.1 / 75 SA	myC 123.50 Mail: 247 Mel 2,235 MPA 276 MC 985 T 2,250	+3 753.80 84 -6.70 290 11 -65 2.400 1, -6 311.80 16 +8 985 +3 2.290 1,	1.50 3.7 5.20 1.4 405 1.1 40.2 6.30 1.3 32.7 739 3.9 24.4 406 2.7 17.8	Migas Espres Magadar Mirzato
Special 48.775 Trebi 4.000 UCB 160,000 Unidia 2,720	-25 47 000 37,100 -2 4,040 2,880 +1,050 12,36 87,900 +20 3,840 2,375	1.9 23.0 54 0.5 55.2 54 1.2 18.9 54	E 220 STIMM 417 80 gess 3,770 Sobnif 960 mol 680 hmdrf 414	+7 228 -16 627 31 -15 3,965 2 -9 965 -2 721 -1 420 26	112 3.4 2.60 450 0.7 19.5 739 1.8 19.2 450 1.0 37.4 5.40 1.2 42.9	
Classo 239 Car 1.055			Z 24			
Coldator 5,779 IEP 170 Kinesitak 1,242 Separa 1,908 Tebes 9,737	-1 328 161 -5 1,375 589 +86 6,200 3,700 331 16,02 -18 2,470 841 -1 1,390 818 +25 9,855 7,125	1.2 39.0 50 4.7 11.3 50 7.5 4.5 50 5.0 16.5 50	CSen 1,100 dxA 3,960 mentA 258 exty 888 exty 825 dbs 3,750	-30 1.168 +140 4.015 25 -12 274 16 -3 928 -35 898	562 1.9 17.4 (419 0.9 43.2 520 1.6 23.0 500 1.3 38.8 542 0.6 41.9	
DESMARK (Mer Anipa 830 Anipa 375	25 / Kr)	7d 10s 10s	lisa 3,750 Innip 770 InCSF 253 IndS 737 Inni 741 AsFG 988 Innif 442	+30 4/7 +9 550 -30 141 30 84 +140 4,015 21 -12 224 18 -35 888 -70 2,855 1, +1 808 -130 260 +50 754 45 -19 785 +18 1,100 +3,40 4475	661 1.9 25.1 143 1.1 40.6 3.20 1.8 23.8 523 4.0 25.4 526 2.0 15.5	
96 998 427 C±44 430 C±68 437	-1 510 197.25 -2 450 325 -1 478 330	2.9 7.9 (a) 0.8 22.1 Vs 0.8 26.3 Vz 0.9 23.8 0.4 42.0	mor 105.50 hos 527 hos 470	+.60 125.90 74 -7 688 32 +5 497.50	(50 32 17.0 (50 23 30.6 305 1.6 19.7	
Close 7,206,97 Close 580 DIS12A 330,000 DIS12B 338,000 O/SHor 775 DS See 475,000	-1 4/6 143 -2 185 143 -1 15 951 850 -1 15 123 850 -1 15 123 850 -1 15 123 850 -1 15 250 750 -1 15 250 250 -1 22 250 -1 22 250 -1 22 250 -1 22 250 -1 22 250 -1 22 250 -1 250 -	1.9 10.5 GE 0.7 35.0 GE 0.2 GE AS 2.3 G.B AS 0.2 AS	HALARY (Mar ) Indv 40 A 610 MbRo 202 60	23 / (Dan.) +.10 46.60 26 -4.50 639 / -1 206.60 19	L40 2.5 21.1 418 89.4 450 0.8 31.2	
DS 348 485,000 Daisco 452 DeeDek 914.78 EAsiet 65 FLS 8 213 Feick 354.60	+1,750 25,661 25,770 -2,222 985 535 +3 183 50 +5 270 146 -40 375,46 289	0.2 84.3 Ad 1.1 20.5 AB 2.0 10.0 AB 1.5 19.4 BM 0.4 26.0 BM	des 317.80 nz 550.50nr 256 149 SF 72.40 NV PI 1,415	+4 \$20,50 17 -10 583,57 30 -4.75 194 -1.80 75.50 53 -20 1,435	250 0.5 31.0 1.17 0.3 55.0 114 1.1 48.4 1.05 2.8 18.5 790 1.1 35.0	
BENOTS 171 ISS A 331 ISS B 333 Icopel 1,880 Junios(1787-2718)	+2 172 85 332 180 338 156 10 1,740 1,380 +1.49 885 500	1.4 27.7 Bit 0.6 39.9 Bit 0.8 40.2 Bit 1.5 16.3 Bit 1.0 27.5	per 81,75 pert 88,90 WBr 2,086 pert 117,70 per 91,10	-45 88 20 58 -40 82 30 50 -14 2 120 11 +20 122 60	70 23 202 190 1.6 61.3 190 1.0 42.4 167 1.4 39.0 1.50 1.1 34.6	
KarnOg 190 Lrtzn8 720 Michel 274 MKTA/S 578.06 Newholl 1,075	240 108 -1 820 528 -1 382 257 +8.90 801 384 +15 1,118 378	1.7 27.1 BH 1.2 16.1 BH 2.4 21.4 BL 0.3 44.8 Gd	FBK 54.30 Bg 58 mBN 178.80 drue 823 Brl 202	+ 55 80 80 50 37 + 55 80 80 51 + 7 81 90 + 13 990 - 3 234	60 27 312 66 21 17.0 113 797 22 225 125 1.0	
Potago 234 Redina 348 Redina 1,155 Redina 1,170 SASDen 124 Siendin 476.05	+24 254 165 -1 385 240 +10 7,180 959.04 +15 7,17 965 -128 64.50 -18.96 522 180	28 15.9 Gr 1.0 29.5 Gr 1.0 30.0 Gr 2.8 15.0 Gr	Maz 229 Mazebik 67 Mase 640 Mase 46.80 M 208.50 Mase 188.50	-8 297.50 +.95 75.20 44 	141 0.9 30.4 1.50 4.3 30.5 513 1.6 42.9 1.30 1.3 28.4 130 2.4 130 0.9 31.5	Medeet Medico: Mented Mentils
Sophul 245.50 Sophul 247.25 Supris 180 Telebu 605 Tophum 1,240 Tohab 570	+5.50 248 137 37 +3.85 251 137.04 -1 191 135 -10 038.05 316 +10 1,353 185 +10 575 333	On Or	9658 103,10 Bab 93,50 Bk 133,60 Tel 39,90 utz 15,35	-2.40 110 66 -50 146 77 -1.45 13590 86 -25 44.65 29 -50 17.95 10	45 1.5 25.0 50 13 31.4 06 3.0 35.3 10 15 1.0	Offere Pireli PicSpa Premfo RAS RI DAC
Unidad 556sa Nelag 454.86 WRDown 405.50	+1 9514 321 -14 531 414 +5.50 405.50 240	27 10.3 00 22 22.7 0rg 0.4 50.7 0rg	agts 67 pat 33,80 dBk 85,80 oVr 341 325	-1.25 77.50 53 -1 44.25 95 90.53 - 384	20 21 22.7 40 1.9 18.3 86 1-6 26.1 20	Rings: SAI SAI RI SAIDEM
Amer A 108 Amer A 102 or Culty 354	-1.50 120 88.10 -1.104.65 77.71 +4 370 255	27 9.4 Sm 1.5 23.5 GM	LPT 980 LPT 980 ME 104 shee 25.45 ach 665	+5 815 8 - +4 774 1 128 57 -1.50 37	60 1.5 17.4 50 1.5 21.2 .15 1.2 24.9 21 3.9 10.9 382 1.8 75.3	Sent Sent SentSe Sint SoneSP SoneSP
Castro 348 Entro A 55.50 Entro R 55.80 Flanca 54.70 Flanca 256 Flank K 700ad	+9 353 250 \$8.50 38 +.10 \$9.50 39.80 +.20 56 34 -3 285 116.10 700 400	1,5 21.2 Gm 4,0 8,5 Ma 3,9 9,5 Ma 1,8 22.1 Ma 2,0 14.2 Ma 1,7 25.5 Md	MP 545 mbB 512 fmm 440 d27m 136 imP 129 tz 151,50	+12.50 57.5 4 +10 512 4 47.5 4 +1 167 1 -2.30 131.50 +3 205	20 35 17.6 40 20 36.8 21 1.6 20.0 21 1.2 17.8 53 1.1 24.1 93 0.8	Stande : Tim Sv TerSpa Telecon TiemSv
Hube 1 288 Hube K 286 Inner A 335 Kamira 56 Kanira 68 Kana 8 780	+3 308.53 187 300 190 -4 340 160 50 55 45.50 50 92 57 +9 780 585	20 19.5 Ho 21 18.9 Ho 1.3 27.4 Hz 3.0 11.7 Ho 3.4 15.0 Hz 1.3 80	phil 76.50 het 89.55 man 431 flank 63 nan 238 i 37.25	~2.40 83.50 80 ~1.50 88 56 +1 625 3 -1.89 73.50 48 244 3 +,13 40.40	50 16 363 76 22 224 75	Torofr Torofs Torofs Unicons Unicons
Konorn 240 Marina 32 Marina 30.30 Marina 146 Marina 137.50 Marina 137.50	243 125 -20 34.10 15.30 -20 32 18.60 -30 195 18.20 -50 195 18.20	1.8 25.9 MG 3.1 13.9 md 3.0 13.1 Jan 1.9 26.7 Kai 2.0 25.2 Kai 3.5 12.0 cm	55.80 Wrk 410 WP 208 88 205.50 RCh 596	52 44 -2 513 42 314 48.25 208.00 12 -37 795	170 27 34.8 359 22 20.7 215 0.8 12564.5 385 3.8 106	METHERIL Abhada
Meles 53.20mi Mente 157.50 Holdan 584 Market 584 Market 177	-1,40 58 34.20 +8.50 157.50 110 -4.50 804 276 -6 603 277 +1 183 123.70 +1 183 123.70	34 124 kg 1.9 17.0 kg 1.3 28.9 kg 1.3 28.9 kg 4.2 22.3 kg 4.3 22.0 kg	CION 138 ppr 49,80 ppr 362,50 begr 89 bB 505xr	-1.80 145 +1.40 52.50 45 -3 400 30 -1 107 -10 555.42 30 -2 70 77 50 50	108 110 120 22 133 60 1.5 1.47 24 17.2 1.90 2.7 20.5	ASSMILLI ASR Vz Aseki AKZO N Alreini
OtkerpA 70.30 Partick B1.50 Police 272 Renythik 870 Renythik 870 Renythik 878	-70 108 61 -50 113 77 -1 277 129 -10 970 950 -12 980 365	28 126 US 4.4 22.9 Ls 1.1 20.0 MS 0.3 MS 0.3 MS	de 1,275 Bin 37,90 W 572 K Pt 431 maste 1,260	+25 1,435 -1,40 41 21 -21 596 -17 472 -46 1,355 45 1,360	960 1.5 25.7 1.70 1 444 2.4 24.0 359 2.2 508 0.5 867 1.6 36.8	BauraCo BoinDR BoardDR CSM CadDC2 CapGerri
Reuark 44.65bd Sempok 221 Signa 38.10 Stocken 489 Section 485	+10 69 38 -130 225 08.75 -1 50 20.50 -1 495 273 -5 480 265	27 52.3 sm 1.9 31.0 kg 2.0 29.4 kg	rck 74 mlg 38.85 for 62.20 for 80.25 c ePRg 788	10 77.45 55 +.20 43.50 36 80 100.80 82 -1.75 75 45 -32.50 856	110 1.7 26.1 160 0.5 18.2 180 1.0 23.5 157 1.6 368 0.2 50.4	DSM DeckPo RVC Elsov S FArmiDA Securita
Tarono 34.30 Taronok 18 UPMRyan 150an Valunak 92 YirbySk 1,13	150   150	3.7 9.6 Por 3.8 9.1 Pri Ps	679A 2,580 scal 3,898 der 23,50 seq 640 mg 42,80	-10 2,800 1; 3,910 1; +25 35.50 -8,75 963 -1,10 85 35	205 0.4 806 0.4 25.4 21 4.3 11 1 425 0.9 32.9 150 0.5 9.7	Gebrac Gerbon Grisch Haggayr Heinkn Horns
FRANCE (Mar 21 ABF 332.40 Accord 1.370	_ \$7.20 165.30			-14 472 -4 1755 5 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	1.9 24.2 400 3.6 1.20 1.7 22.7 120 - 10.8 351 6.4	Rameta Gerne Gerech Hagenyr Hadish Hottle Ho
ABF 382.40 Accus\$ 1.370 Accus\$ 1.370 Accus\$ 1.370 Accus\$ 1.050 Accus\$ 1.050 Accus\$ 1.050 BBC 457.50	-27 1,115 594 -139 1,872 1,201 -2 859 337,40 -30 543 328,80	1.5 27.6 SA 1.1 38.4 S6 27.5 50 1.4 31.3 St 1.3 15.8 Sc 1.8 15.6 St	1877 1577 1882 304 1087 748 1087 210 187 68.95 1879 214.50 1888 388 1879 149 1870 120.90	-7.50 750.50 -4.20 250 -8.5 68 50 +1.25 217.60 -12 408 25 -3.90 *53.00 11 +4.60 131.30 85	194 11 21.3 120 1.8 19.1 146 1.2 33.0 850 1.5 14.3 2.10 1.3 27.1	KNANA
Pangm 3,070 Pangma 3,070 Colle 2,720 Colle 772,90 Canal 1,124 CapGess 763 Crisus 3,625		18 34.9 54	Acting 1,620 trag 144 dChan 851 edza 977 esh 430ed	+20 1,895 1, +5 181 +1 950 +2 995 -22 455 17	190 12 35.5 96 37.5 780 12 22.4	Patrico Oce Otra Patrico Patrico PotyGra Rapost
ChipGets 753 Origue 3,625 Charles 418	+14 770 302 +15 4471 2750 +2.10 425 231.60	0.5 37.5 Th 1.9 39.5 Va	17mm 1 318	-13 450 +8 838	343 24 14.9 241 31	Republic Robeco

214.65 211.98 306.96 265.18 240.03 494.24 371.84 285.01 284.80 357.95 49.75 519.43 152.78

Australia (73) ... Austria (23) ... Reighum (26) ... Brazii (30) ....

Canada (120)
Denmark (54)
Finland (28)
Finland (28)
Finland (78)
Fancy (68)
Hong (68)
Indonesia (27)
Fraind (16)

Iruland (16)
Italy (54)
Japan (481)
Maksysta (107)
Masuco (29)
Matherator (19)
May Zealand (14)
More Zealand (14)
More Zealand (14)
More Zealand (14)
More Zealand (14)
South Africa (43)
Spair (33)
Sudden (49)
S

Local Currency Index 214.94 201.199 286.42 553.67 449.151 470.15 434.151 534.53 205.252 294.51 534.52 294.51 1547.14 446.88 72.39 335.08 435.19 342.49 325.65 48.33 325.66 48.33 325.66 435.19 307.32 211.51 187.37 375.67

176.97 174.76 253.06 218.72 197.89 407.47 306.55 234.97 218.31 295.10 41.01 428.23 125.95 125.96 125.38 199.33 238.55 461.63 319.84 370.03 335.41 281.56 319.84 370.03 335.41 281.56 319.84 370.03

197.23 188.85 273.48 273.48 440.31 331.25 235.90 318.89 442.25 196.46 1457.65 421.90 261.77 288.82 2715.40 271

204.70 202.15 202.15 202.28 202.88 203.90 471.32 354.59 271.80 352.82 341.35 495.34 145.89 1536.90 1536.90 1536.90 1536.90 1536.90 1536.90 309.16 98.77 275.83 369.16 369.16 369.37 275.83 369.16 369.17 275.83 369.16 369.17 275.83 369.16 369.17 275.83 369.36 369.17 275.83 375.83 375.

1.42 2.05 1.75 1.51 1.91 1.42 1.60 3.69 1.90 1.50 1.73

16.5 35.0			T	7	201	-	17-	17			SPECIFICATION STATEMENT ST	2,530 91,50 930	+50 81	50 1/45 50 57.8 50 64 586 47	5 20 1 5 20 1	6.6
20.2 61.3 42.4 39.0 34.6 35.2 31.2 17.0					W	24	7.75				Stendin Stendin Stendin Stendin Stendin Stendin Tegifter Undalar Valing Zinalig	990 1,179 386,50 4 500	-11 7, -8.50 * +26 3, +2.50 +35 2, -1	330 64 339 87 148 29	1.71 8 —	<b>2.</b>
42.4 39.0											Swiftelit Swiftelit	4 500 3,279	+7 +26 3	48 29 610 21 294 1,46 293 10 364 1,23 56 27	9 1.7 1 9 2.4 1 0.9 1 6 2.2	<u> </u>
34.6 35.2				http	(WWW	rockwe	II.com				i agrica UmbkBr	3,279 138 2,819 348 851	+250 2	224 1.23 364 1.23	6 1 0 22 0 1.7 1 3 0.8 3	7.5
31.2 17.0											Allung Zinskij	348 851	+8	58 43	3 0.8 3	5.0
223																
<b>20</b> 4			+/- 18gh		THE PE			+/- 194	Low	TM P/E		•	/Tk (Se)	1		į
30.5 42.9 28.4	Medeet	11,585 22,400 2,525	-565 13.200	0,470	1,7 31.2	PORTOR	AT (Mer	23 / Escudo +98 7,116 +112 6,746 +601 8,800	}		Alabania Arministra	17,500	-250 30 -250 20	750 B.30	265	5.0
25.4	Medeet Menthac Monted Monted Montel Presi	2,525 1,587	+75 2,535	1,009	0.8 52.3	BCG PI	7,050	7.170 هيد	2,420	12412	Aldowsk ArckAS ColdEX EgyElfr EDCHE Pydicina Teachas	22,000	-250 20 +250 26 +21908 71 -500 27	16.12 1000 16.00 400 17.72	113 113 124 124	<u> </u>
31.5 25.0	Oliver Oliver Prodi	2,385 5,155	-15 2,885 -155 5,530		19 29 7	BCPort BESent BcP6Sb	6.705 8.501	+112 6 745	2,401	1.4 36.3		30,000 30,000 157,600	+1,000 00	300 17 2		M R
31 <i>Ā</i>	PicSpa Pramis	5,590 2,590	+100 6,140 +75 2 040	3,500	1.5 29.1 1.7 24.1	Barretta	8,501 4,180 6,420	+185 424 +335 6.491	1,035	14352	Total F	9,500	+636 17	30 377 100 407		i g
31.4 35.3 1.0 17.1 22.7 18.3 96.1	RAS RI	5,165 5,890 2,040 19,650 25,750 16,400 25,250 18,150 1,550	-155 6,530 +100 6,100 6,100 +75 2,040 +100 26,530 +450 25,400 +257 12,040 +400 25,500 +12 1,597 +480 11,530 +200 22,800 22,800 -28 963		20 223 13 307	BancTA Cimpor Becti?	6,420 6,830 4,520 12,200 10,343 8,787 28,245 3,439	+98 7,116 +112 6,746 +601 8,800 +185 *4.26 +335 6,420 +231 *6,864 +200 *4,526 +20 12,526 +25 11,525 +56 8,864 +21 3,560 +21 3,560	3,350 2,700	==	Tuddir Tuddir	4,500m 700,000	+5,000 27; +1,000 60; +15,000 16; +65,0 17; +65,0 18; +70,400 18;	875 1 (.00 100) 36:0	0 02	Ξ
22.7 18.3	Rinasc SAI	18,400 25,250	+250 12,040 +400 75,570	7.85	1.1 502	Mipdicat PTeten Soniny Teleci	12,200 10,343	+120 12 400 -82 11 500	5.210 1.000	0.5 1.7 35.8						i
26.1	SAIRL S	18,750 1,550	+120 18.750	4,810	1531.1	Soniar Teleci	8,797 28,745	+56 8,684	5,335 12500	1.7 27.3	D.C.	ПС				
15.5	Shipem Shoot	11,500	+480 11,550 +200 22,650	7.260 10.510	13 283 12 283	Unicer	3,439	+21 3,580	2,502	₹ī 22Z	PAU	HÜ				. !
17.4 21.2	StatiSe	22,800 899 622	-28 963 -14 895	438 277		SPAIN A	Mar 23 /				JAPAR	(Mar 23 /	Yeq			- }
24.9 10.9	Shill Sales	12,020 2,730	+80 12 500 -50 2 920	9.230	4.3 16.8 2.2 27.2	- A MAN A					Alexandra	1,330	-10 14	50 1,23	0 0 ខ្មុំ 2	7.0
75.3 17.5	Standa :	12,020 2,750 10,400 26,800 8,000 5,800	+200 22,850 -728 963 -148 12,950 +350 12,750 +350 10,750 +350 8,460 +350	5.185 12800	1.9 23.5	ACPUSE Acres	2,250 31,520	+230 2,355 -980 33,000 +115 72,300 +115 72,300 +115 72,300 -80 7,350 -105 1,270 +105 32,000 +105 32,000 +105 1,250 +25 1,000 +25 1,000 -60 7,580 -5 2,360 -5 2,360 -6 2,500 -6 2,500	1,290 13,910	0.3 0.7 48.3	Apartico Apartico Apartico Apartico Arando A Arando A Arando A Arando A A A A A A A A A A A A A A A A A A A	1,330 1,240 400 750	-10 1/ -10 1/ -10 1/ -10 1/ -20 1/ +10 1/	190 95 328 33	0 0.5 2 0 0.5 5 5 1.5 2	62
15.5 17.4 21.2 24.9 10.9 75.3 17.6 20.0 17.8 24.1	Standa Tam Tim Sv TecSpa Telecon	9,000 5,800	-20 10,750 +1,951 31,500 +50 8,000 +50 8,000 +65 8,460 -70 13,675 -45 10,065 +320 18,550 +150 18,500 +20 10,400 +20 10,400	4.565 2.650	09 79.6 1.5 61.3	AGPIREF Access A	2,250 31,526 2,340 25,800 2,390 7,020 1,485 19,990 11,780 3,375	+115 72380	1,630	12 203		750 1,010	+11 t	34 46 730 1,01	0 10 3 8 08 3 8 1.0 4 8 2.3 3	<u>7</u> 3 į
17.8 24.1	receips .	6,000 13,250	+85 6.480 -70 13,470	2,900 7,115	33 14.5	Acres Aguiller	2,390 7,020	-15 2.490 -80 7.380	UR.5	3.0 0.0 35.0	ATTEND	1,019 808 1,310 310 1,250	+10 1,	130 38 190 94 179 11	1.04	
36.3		9,780 17,570	-45 10.0 E +320 18.550	5,330 12913	29.8 2.5 15.5	Aguilla	1,465	-115 1,770 +10 20 30	520 1250	05 38.6	Antibu	1,250 111	-cu 13	179 11 180 99 177 2	<u> 67</u> 5	D2
36.3 22.4 44.4 35.5 22.8 34.8 20.7	Torresp Torress	9,630	+150 18,000 36,100	7.380 Edge	2.5 15.9 1.3 30.1	Augus	11,780	+100 1208	5,930	1.8 18.9 2.5 27.9	Acrystis	2870	- 4	170 1,94 170 1 64		<u> </u>
35.5	Unicens Unicens	18,400 9,630	-300 19,500 +20 10,490	11,120	0.9 54.4 2.3 29.1	BAndej Bartes	35,210 6,320	+10 48,000	15500	1.6 20.1	Acades.	2,970 2,410:5 590 1,800:4	-6 1.0	170 1,94 120 1,64 160 40 110 1,19	5 12 0 08	17
34.8						BEN	7,220 4,935±	+100 7.250	1757 1717	0.6 48.7 1.0 48.2	Access C.	523	-11	796 40 210 47	0 1.1 2 0 1.3 2	97 i
84 <u>.</u> 84 <u>.</u>	i diperin	MEDS (A	kar 23 / Pis.	)		BPopt BSent	13,850	-40 14 100 -60 7 174	6.235 11113	15 -	Astable) Astable	316 246	42	944 20 135 7	7 12 1 0 17 6 6 12 0 0 1.1 2 0 1.1 2 0 1.3 3 0 1.3 3	1.5 i
	ARMAIN' AEBOH	47.30		29.90	22 20.4	SEN BERNER	13,850 2,346 6,680 11,800 11,8		1,070	43 100	Audic) Anyens Antesta Assablic	523 778 316 245 139 237 1,706 1,725 2,8706 420 3,800 580d	<b>∓</b>			
Ξ	444	47.30 255.80 188	+50 205 -480 2119	1250	15 24	CEPSA	6,690 7,200	+90 5,850	3,405 5,400	1.6 24.0 1.2 —	BTOKM Bayrai a	1,700 1,720	2	90 1,45 MQ 1,20	0 0.5 0 0.7 8	7.5 t
1319		160,70	-1.10 156 76 -20 74.50	39,55	1.6 30.2	Coetin	3,800 1,760	+20 3,900 +10 3,500	2,205 1,300	0.8 35.9 12.6	Brookn Studie	2,870x1 420	-60 3	NO 2,16	055 8 1.2	#5 ! !
17.2 20.5 25.7	AKZO W Aughw	420.50 344.50	-6.20 446.50 -50 345.40	248 301.20	ZU 18.5	Cristi Dogi	18,900 1,800	+380 1429 -15 7256	9,610 1,425	1.6	CSK Colpis	3,000 580mi	-120 4J	500 2,80 741 87	0.8	<u>.</u>
25.7 24.0	AKZO N AKZO N AIRBÍN BassaCo BosisOR BosisOR CSM	344.50 97.40 34.20 34.80 106.90	-30 45.70	, ,	37 14.4	Depotes Ebro/e	5,150 3,240	+100 5.200 +55 3.400	2,110 2,095	1.3 33.1 0.6 33.5		29100	+102		ا چرر د 0 0.6 2 0 0.6 2	1.6   7.6
_	CSM	100.50	-90 114	62.40 12.40	17 213	Evine.	6,280 4,000	-40 8,350 +220 4,000	4,000 2,230	1,4 23.8 1,8 25.2		1,140	14		111	
38.8 28.1 18.2 23.5	CapGem	131.40	+1.80 136.30 -1.80 2**	, s.com) 55 110707	1.8 61.7	Ember 6 GasMat	3,800 9,180	+130 9,500	2,700 5,390	28 05 38.2	Challe	20	+3	559 14 730 90	0 1.9 1 5 1 1 7	<b>13</b>
湿	DeckPe Dec	118.80	+5.70 124	55.75	23 15	GESTON F	12,590 2,095	-50 12380 -20 2,330	1,430	1.1 172 0.7 68.1	(201cHO	297 295	 	84 18 85 17	š 139 j	7.7
23.5 50.4	Electric S	13.60ml	-50 39.40	28.50	28 24.5 1 8 24.5	HidCan Dertir	7,590 2,415	+100 7,600	1,446	26 22 <b>23.</b> 0		475 2 040	+5	965 35 290 1 PC	5 1.5 3 0 2.5 4	7.5
61,4	Garante Garante Andres	126.80	+310 12 H	96 85 20	35 113	Nope Maphs	12,770 5,300	+110 5,350	2.955 2.955	1.2 32.7 1.2 32.7	ChgPhn Chund	825 4 1,800	-19 13 -20 2	180 57 240 1.80	0 1.4 1	7.6 8.0
35.Ā	GENDOR. Green	67.50	+ 10 69.81	47.10 46.50	24 162 24 372	PortV	17,080	+20 18,00	8,030	25.5	Chan TB	505 950	+29 1.	190 19	7 12 5 0.9 3	, T
329 97	Hageayr Halekn	98.70 463.40	+1.20 122 -2.10 45	74	1.3 25.2 0.5 30.5	Papagi Papagi	7,880	+230 6,100	5290	1.8 19.8	CamOf D'celC	270 270	+3 (	912 16 191 15	6 30 1 0 22 3	
35.4 1] ] 32.9 9.7 42.7 28.2	topicitic CSM CSM CSMCC2 Capitam Dischife Extend FAMMIA Gebra Gebra Gebra Gebra Gebra Gebra Handia H	40.50 99.70	70 46.70 90 142.3	35.80 75.80	35 112	Serring	725	49 773 49 773	425	1.6 47.2	Canon Canons Candon Can	2.910ma 1.900ma 1.900ma 1.900ma 2.93 2.940	ながあるような最もなましたような日本もよるな「教皇のなん」となって 高台線主題「田」 4 アピー・・・・・・・・・・・・・・・・・・・・・・・・・・・・・・・・・・・・	750 15	7 23 4 5 33 6	
 227	HamDal BHCCal	96 119	-1.50 96 +1.40 133	97.50 92.60	16 174	Tables Tables	18,290 8,590	+680 18.53	6.580 3.745	00 57.7 12 54.7	Call S	385 1,940 1,950 3603 225 36134 450 2,130 2,130 1,050 587 3,1104d 2,450	+2 1.1 -10 1.4	20 60 20 60	U 212	
102	MEBAS	128.20 65.12	+.40 118 8 +.01 65 12	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	18 25.5	(Al Feb	2,110	+20 2 22	1.190	18 29 2 1.1 47 5	Daniel Daniel Daniel	1,550 803 230	-00 21 +3 1,	2012) 120 48 177 48	1.72	10
21.3	NGERG NGERG Inches KLM AGEP ST KPNIS KBB IOMBICO Number	65.12 73.60 84.50 64.20 105.80	-240 78.40 -270 90.40	53.70 53.40	12 34 1	ValCom ValCom	2,850 5,730	+130 5 79	1,700 3,100	09 31.8 6.7 30.2	D'statu D'statu	351 X	+5	164 28 144 29	į [3:	<u> </u>
33.0	1000 (12위출 (1287 원)	105,80	+.10 57 -1.50 113.20	54.50 54.50	28 78.0	Vischo Zardů	6,340 5,370	-290 5.890 -290 5.890	2,380 2,380	0.3 1.8 34.7		531 2 130	+1B	92 TE	8 12 2 0 0 A 3	6.1 8.6
킱	NEED Kindingd Married	500	-80 74	40.50 40.50	25 231						Date of	244 700	-5 -38	120 13 762 37	202	1.5
21.3 19.1 33.0 14.3 27.1 26.0 35.5 32.6	Oce Oce	148 50.90 72.90 305 38.90 72.80	+1.80 314.8	183	12 25	5 <b>FF</b> (3)E	(Akar 2)	) (Kronor)			DTOAF N	35	+2	72 42 191 13		62
22.4 20.5	Patrio 14	72.50 8.10sd	-30 77 At	54 80.60	3.3 13.1 1.4 9.1	ABB AŞ	109	127.5		1.9 47.0	Daheel Daheel	1,050 587	-10 1J	500 58 568 29	8 1.6 1 6 1.4 1	27 I
14.5	Oce Otra Patien 14 PolySra Rends 1	113	-80 129,5 +2 98	88.60 55.20	0.9 33.7 1.0 41.0	ABB AS ABB B AGA A AGA B	107 173	126 -2 125	75-50 97	1.9 47.0 2.0 48.1 2.7 25.1	Denn.ip Demo Downii Downii	3.110m 2.450	+80 3. -110 3.	560 2.61 280 2.08	D 143	
-	Robeco	220	+120 126-4-7	153.40	1662	AGA B	105.68	-1.60 1 <u>27 8</u>	92.6Q	25 <b>23</b> .4	COWNER	417	+5 (	KU 35	a 1.7 S	6.6
				_										_		
man.	Şacte: &	Co. aes	i Standard	& Poor	's. The t	ndicet an	comple	ad by FTSE	internal	tional and	Stande	ed & Poo	(t to co	njonettor		be i
		-	- Constant				-									

Pound Saring lodge.

190.43 187.62 270.33 1 273.10 438.37 3233.41 3315.23 407.48 133.52 1407.48 140

214.18 211.02 304.03 262.24 239.68 491.47 375.58 262.53 354.56 45.82 520.39 150.17 99.56 458.57 325.85 103.16 468.34 78.57 325.85 103.16 381.53 32.43 381.53 391.56 381.53 391.56

DM Index 203.47 200.47 208.83 249.28 227.89 466.89 356.80 271.01 336.92 43.37 142.86 94.37 142.86 94.38 209.99 354.40 277.29 334.06 254.40 277.29 334.06 254.40 277.29 334.06 277.29 362.45 30.81 371.83 423.13

176.53 175.93 250.59 216.28 197.55 405.07 309.56 235.13 271.38 292.31 123.78 82.28 1318.42 384.56 632.30 363.57 363.57 363.57 363.57 364.68 289.23 314.46 28.73 321.94 357.11

332.83 280.28 399.95 91.48 170.20 356.32 251.63 174.88 173.37 227.71 312.19

363.62 323.05 460.96 105.44 196.17 410.69 290.03 201.54 199.62 262.45 356.83

Local	Currency	S2 week	High	Low
214.98	243.87	190.26		
200.32	213.59	175.14		
212.66	306.96	227.73		
547.79	322.44	184.94		
245.98	240.95	178.27		
456.98	362.77	243.25		
246.40	285.44	193.39		
352.80	352.80	227.87		
533.37	530.39	321.33		
256.74	254.90	27.57		
533.37	530.39	321.33		
256.74	254.90	27.57		
533.37	530.39	321.33		
256.74	254.90	27.57		
533.37	530.39	321.33		
251.98	152.78	83.48		
82.06	141.12	88.52		
311.91	927.76	113.98		
14971.74	1901.98	1328.20		
435.39	474.49	330.32		
72.20	92.47	71.49		
353.30	374.94	251.82		
195.54	196.90	57.54		
182.68	402.07	714.01		
317.36	365.25	227.66		
412.98	361.15	210.11		
656.60	566.80	562.89	445.00	
347.25	390.56	271.72		
445.40	448.83	289.79		
340.93	406.83	774.59		
347.95	390.55	271.72		
445.40	448.83	289.79		
340.93	406.83	774.59		
341.91	335.20	213.38		
212.99	175.30			
252.81	278.30	211.16		
373.06	381.96	271.90		
261.30	287.56	216.61		

The sky's the limit for

airline travellers,

courtesy of Collins

communications systems

for two-way phone calls

and faxes.

- P - Q

ANTERIOR PROPERTY OF THE PROPE

1.00 2.0 . 0.10 0.4 0.80 1.4

27, USA E PARTIE DE PARTIE

Comments of the state of the st

Herries Seek
Herries Seek
Herries Seek
Herries Seek
Herries Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
Herries Herries
He

6.1 Al hast
14 FT Docton
15 FT Botton
15 FT Botton
16 FT Botton
16 FT Botton
17 FT Botton
18 FT

Comp Prom. Common Commo

0.58 1.6 7

- C -

Tal. P/ 085 3.0 E 085 2.0 30 1 012 05 30 1 010 0.3 171 180 62 03 18 1.18 3.5 1 1.20 40 3 1.20 40 3 0.34 05 35 0.35 16 0.1 1.40 8.9 1.50 2.2 1.54 2.4 2

#136475071446545537.2847545845547446555566557455655565555555565554 

おかける こうかい

STEAST TO SEA TO STATE OF THE TOTAL STATE OF THE SEA STATE OF THE STATE OF THE STATE OF THE SEA STATE OF THE STATE OF THE STATE OF THE SEA STATE OF THE STATE OF

10½ AMI X 33½ AMP 78½ AMR 10 AM 40½ AMB X 77½ AMB X 77½ AMB X 10 AM OOD ½ AM OOD ¼ AM OOD ¼ AM OOD ½ AMB ME 10 AM OOD ½ AMB ME 2 AMB ME 10 AMB ME

110g Adment | 111 | 112 | 112 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 113

ing prounts;

124, Benster

177, Statist

124, Benster

124, Benster

124, Benster

127, Statist

12

| 1.5 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 والمفراد والأمليكية والمام فيقوله والمليكية

BE OUR GUEST.

**STEIGENBERGER** FRANKFURTER HOF PRANEFURT

When you stay with us

stay in touch -

HERVESTELSONS SERVESTE SERVEST 化光光光光光光光光光 法中国工作公司 计设计记录 经工程的现在分词 医水子病 医神经病 经银行工程的 人名英格兰姓氏 人名英格兰姓氏 医二种性神经病 医二种性神经病 人名英格兰人姓氏格兰人名英语含义的变形的

## 24 Control |
## 25 Control 是我的现在分词,我们是一位,我们还是我的我们是我们是我们是我们是我们是我们是我们的人们是我们的人,我们也可以是我们的,我们是这一个人,我们是一位,我们是这个人,我们是这个人,我们是这个人,我们是这个人,我们是这个人,我们是这个人,我们是这个人,我们是这一个人,我们是这个人,我们是这个人,我们就是我们是我们的一个人,我们就是我们的一个人,我们就是我们的一个人,我们就是这一个人,我们就是我们的一个人,我们就是我们的一个人,我们就是我们的一个人,我们就是我们的一个人,我们就是我们的一个人,我们就是我们的一个人,我们就是我们的一个人,我们就是我们的一个人,我们就是我们的一个人,我们就是我们的一个人,我们就是我们的一个人,我们就是我们的一个人,我们就是我们的一个人,我们就是我们的一个人,我们就是我们的一个人,我们可以 1.28 4.8 18
0.16 0.4 18
0.14 5.1 14
1.52 4.7 15
0.80 5.2
0.84 1.2 22
0.86 8.2 10
0.39 0.7 13
0.39 0.7 13
0.39 0.7 13
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.39 0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 18
0.4 9.55 8.6 12 68 12 14 24 14 25 14 25 14 25 15 25 184, 45, Cample
1111, 5, Cample
111, 5, Campl 1151日前51日前222日下555日第1日中心中心的大型的工作的第三人称形式 1151日前51日第1日中心中的115日前51日中心中的115日前51日中心中的115日前51日中心中的115日的115日 - D -1812 1413 191 1814 1815 2212 Cattles Sum

39 3875 Cattles Sum

39 3875 Cattles Sum

39 3875 Cattles Sum

115 684 Cattles Sum

115 684 Cattles Sum

115 50 Cattles Sum

116 50 Cattles Sum

117 50 Cattles Sum

118 50 Cattles Sum

60% 67% 60% 75年2月19日日日,1997年19月19日 1998年 23 -24 

- N -

· O -

中部中部 中部中部

810 0.4 18 2061 234, 234, 234, 235, 230, 147 2 142 1134, 113

25 12 OF BERNEY

26 12 OF BERNEY

27 OF BERN

9<sup>4</sup>s Judget En 23<sup>4</sup>s Judget En 23<sup>4</sup>s Judgets Er 24<sup>2</sup>s Jug Car 25<sup>1</sup>2 Judge 4 18<sup>1</sup>2 Judge 4 18<sup>1</sup>2 Judge

本 中文学を記録され

57, 27, 52 and 52, 13 and 53, 13

- i -

而是是是一种,我们是一种是一种的,我们是一种的人,我们是一种的人,我们是一种的人,我们是一种的人,我们也是一种的人,我们是一种的人,我们是一种的人,我们是一种的人, 我们是是是一种的人,我们是一种的人,我们是一种的人,我们是一种的人,我们是一种的人,我们是一种的人,我们是一种的人,我们是一种的人,我们是一种的人,我们是一种的人,我们 st statestatist british in this states the statest states of a site statestatist in the statestation in th - R -1.1 15 40 21.1 2 25 1355 2.2 1355 2.3 15 132 2.3 15 132 2.3 15 132 2.3 17 15 250 2.3 1 1001 27 10 200 19 18 12 100 19 18 18 100 19 18 100 19 18 100 19 18 101 19 18 101 19 18 101 19 18 101 19 18 101 19 19 101 19 19 19 101 19 19 19 101 19 19 19 101 19 19 19 101 19 19 19 101 19 19 19 B. Robalia 17 Rebusion 187 Rebu つかなするななかでなったろうない 

- **V** -

- T -1.30 day with which was a second of the seco

٠. ×

en e

一、湯、八月、八月

-

The second of th

10

(F

CUSS

ST USS

ST USS 27 United Cry 13.5 United 13.5 United 13.5 United 13.5 United 14. United 15. **表现各种的对象的是是是是是有** 

FT Free Assessi Reports Service

The cas obtain the current enters reports and it eventable country reports of my companies on the 35 exchanges with a 4 symbol. To order reports ring (international Accessed 1-804-32 0-8087 or give the names of the companies whose reports you wreat and tax your request in (international Accessed 1-804-320-8135. Reports will be sent the rect working day, solitect to evaluability. You can also order online at hitp://www.ichinc.com/cgi-bio/ft.

19° 0 0 0 0 0 10° 0 13° 0 1 10° 0 10 0.32 2.3 16 223 20 662 0.02 9.5 75 0.06 1.5 260 1.77 2.9 15 571 9.92 0.1 20 500 \* # che Min 150

39

FINANCIAL TIMES TUESDAY MARCH 24 1998 ★

cturing ica Israe

- 1

--:

- 4 1

· -- "

• • •

. . . .

. . . . .

1 27 22

21. 1<u>15</u>

· . \* . ##

The state of the s

GLOBAL EQUITY MARKETS

US INDICES US DATA FRANCE JAPAN 1997/96 High Low Since completion Mgh Low E TRADOG ACTIVITY Mar Mar 23 20 Har Har 23 26 B391.60 \$906.43 (20/3/96) 3580.13 3688.91 3688.58 3,493 1,695 1,276 551 579 16848.23 16830.47 16879.02 65.25 DIC 40 2,078 1,548 1,272 233 252 13 3,462 1,351 1,351 239 200 21 Day's Night 17845.55, Day's lost 16784.44. Dey's Nate 3719.92. Day's lose: 3591.29. 101,09 195.48 54.98 (1449) (1519) 22217 35311 27197 (1739) 20647 2556 (25497) (26399) III TOKYO TRADBIG ACTIVITY 13.25 (8/7/32) 16.53 III ACTIVE STOCKS Stocics tracket Price Com 20/3/38) Ups George, Participace Collecto Espice & Prod Downs Mills Amile Codestor Adjourni-Prix Procis tipe
Ton Wool Sp
Total & Co
Total & Sale
Jun Wool Tat 801 278 305.2 103.8 1060 787 437.9 350.1 247 10.15 1,889,587 1,777,781 1,802,955 1,171,921 1,141,753 1,134,765 943,765 941,536 965,756 682,514 BY Agine
Rhs—Plac A
Pr Yelector
United
All Total B
B.M.P.
Michelin
Renault
Euro Utanny +35 -39 +67 +51 -87 +01 +20.9 +15.2 +10 +9.3 231 2300 335 234 +22 +200 +26 +13 +10.5 +9.5 +7.9 +6.9 8,161,000 5,739,000 5,530,000 4,903,000 4,821,000 4,245,000 3,980,000 3,730,000 ACTIVE STOCKS Class price 23% 634 674 818 82% 534 77% 48 584 1264 1089,18 (203/98) (20/3/94) 1272-50 72 350 1401 100 Lipe
Delta & Pice
Sthe ME Tol
Royal Carib
Denna Aquipon Spr
Deline Secol
Campalas Eng
Teratyon
laticom Corp -3 -35 -139 -9 Compag
Pin Morris
Excon
Gas Elect
Pitter
Booleg
Coca Cole
Helliert
Unit-silert
Unit-silert
Unit-silert 16,967,200 8,724,200 8,278,200 8,201,100 5,542,100 5,188,800 4,750,710 4,856,500 4,030,580 1080 392 153 800 -200 -55 -19 -84 -15.6 -12.3 -11.1 -9.6 1272.99 (203.92) 136.52 (203.93) 885.42 (11.4497) 80.75 (271/87) 152 +3% +31 +31 23% 72% 84% 84 34% 34% 37% 284 +72 (20/3/98) 135.12 135.12 +6,7 +6,4 FTSE Eurotop 300 -14 -14 -5% -2% -18 -15.6 -10.9 -8.9 -6.6 -6.5 (Maces Myse Comp. 572.81 4.84 (203/89) (25/4/2) 727.79 524.20 (203/89) (167/89) 1789.98 54.87 (18/3/89) (21/9/74) 399,47 (11/4/97) 1997/98 High Low Mar Her 23 20 Nor Mar Mar 1997/98 23 20 19 High Low 541.20 (284487) 1201.00 (24497) 335.85 (254497) 72127 (20/3/98) 1799.86 (19/3/96) 474.36 (19/3/98) DAX 4971.32 5001.55 4838.32 Day's lagic 5049.83. Day's lacc 4979.98. 931.18 F7SE 100 5947.0 5958.3 5997.9 Day's high: 6023.1, Day's leas: 5948.8. Volume :734,738,000 E PRANCENT TRADER ACTIVITY # ACTRE STOCKS 474.30 472.18 474.30 (19/3/98) 123.36 (7/12/93) Sincis (Incomplete Institute Ins III ACTIVE STOCKS III ACTIVE STOCKS Day's change +18% -1 +86% +11 -1 Day's charge Lips
Keendy Wies
Reeter Silve
Profile Tich
Fat Bencomp
Dougs
Cliectest Lips
T S R
SCM Mileso
Personal left Cines prices 468 111 933% 636% 489 223 466 313% 961 261% Intel Curp Vikulitzak Microsoft Dell Cusper Oracia Corp Minerk Assoc Allera Corp Cisca Sys Tel TCJ A Son Micro Cime price 7 38.9 120.9 67 133.6 37.9 100.25 72.A 81.75 198.5 69.55 Ony's change -0.25 +4.6 +0.95 -1.45 -1.6 -1.6 -0.65 -1.66 Ups Warre Gasz RZAM Mobel Llocker Doder Lockek Dicker-Work Technologies Singuins To +13% +6% +3% +7% +80 +48.8 +31.7 +23.1 tipa
Bantein (S)
AAF Indo
Catabaus
Catabaus
Downe
Memory Corp
Bensom Cosp
Carados
Ughard inti 1,338,867 1,175,504 1,056,411 7,20,357 905,407 538,866 982,708 538,494 532,031 521,383 Shell Contricus
BP Restors.
Carifac Couses
Relie Royces
Howards Un
BS
Br Telecoon 28,768,580 24,487,420 20,403,750 12,647,300 12,018,560 11,682,270 10,751,570 10,686,930 10,386,930 E PATROS +14% +6% +12% +16 +28.7 +18.1 +14.7 +13.6 650 63 17 33.8 +124 +8.5 +0.95 +1.8 +17.1 +8.5 +5.8 +5.6 Mer 13 1.63 Mer 6 1.63 Year ago 1.59 -14 -12 -12 -5% -20.8 -17.2 -16.5 -13.7 13 March 1998 23 54 13) 225.5 226.5 -5 -12 -20 -18.5 26 3472 188 106 -4% -4 -17 -8% -14.7 -10.4 -6.3 -7.3 -8.5 -8.3 -8.1 -7.9 -2 +14 Mar 11 1.36 29.26 Year ago 1.78 22.36 S & P Ind. Div. yield S & P led. P/E ratio 1.35 29.80 INDEX FUTURES Open lot. Hgh High Low Bat wat Open Int. Open Hgb LOW Est. vol. Low Est. vol. Open izit. 48,546 4,227 1110.50 Mar Apr 15 DAX 3697.0 3731.0 3687.0 3674.0 +4.00 18.00 19,037 16,322 Jun Sep 1111,20 1122,80 1110.50 98,158 158 352,481 8,776 -6.0 -6.5 2938.00 2927.00 2914.00 2904.00 4,301 2,365 3005.5 Sett price Open int. 15960.0 16610.0 17030.0 19610.0 109,005 16,127 5,222 173 21,638 475 -10.0 +10.0 5060.0 5105.0 5054.0 5090.5 -25.0 -26.0 5077.0 -\$115.0 5001.0 5070.0 18,853 577 7371.0 7329.0 +75.00 +80.0 7377.Û 7318.0 7250.0 7265.8 Apr May 7255.0 7277.0 19,021 500 WORLD MARKETS AT A GLANCE

Sandviku s tough year

Mar 20 1907/96 High 20 20 1997/96 Low **Mar** 23 Mar 20 Paland WKS 17860.5 17980.0 Starte essed in apile of a 15 to 9 mile of rights to fallers. 23403.67 23059.85 22861.22 25771.78 22/10/97 18237.40 2/1/97 13228.00 12/1/98 2772B 3963.81. 3640.40 3820.87 722.34 696.65 692.57 Not concern content to fade. 2779.30 23/3/95 gal BAL 30 PSI 20 I siaped upbest as sh BSE Sens. Crist 500 2200.55 28/1/26 5390.45 \$307.35 \$248.40 12521.43 12312.55 12176.23 618.5 541.19 27/11/97 5152.34 2/1/97 618.5 967.19 24/2/97 54 Tas leader Telstra galned 1.8 per cant. 521.33 1443.18 514,62 213.38 F/V67 1430.97 aly base reversed in spile of suscepting political changes 431.69 1860.44 433.76 1679.11 324.92 12/1/96 1973.47 12/1/96 5294.25 5286.74 SES AS-S'pore Shaks Times 437.98 BEL20 sectas Pe 2965.17 2967.79 2924.96 2966.17 jumped 2.8 per cent and Solwy 2.2 per cent. 1698.75 2271.38 2011/97 214,15 2/1/97 137.28 138.76 135,98 16/3/98 blindes only actioned in light early bade, BCI Comit 30 Banca Com Sal Mithel General 330.65 1443.61 23019.0 327.32 1424.54 22792.0 TSE 100+ Metals Minis+ Composite+ Portfolio§§ 455.13 4224.35 7471.00 452.14 4183.22 7412.80 451.34 4156.79 451.34 454.73 17/3/98 4155.79 5891.75 10/2/87 7382.22 7440.37 17/3/98 3780.35 3798.96 17/3/98 342.12 11/4/97 3442.35 12/1/98 5579.30 14/4/97 2846.62 11/4/97 828.4**Y** (4) 679.9 8515.2 670.10 5/12/97 6715.10 12/1/98 1.5 21.9 Samb Africa JSE Gold JSE boll 1394.71 22887.0 990.42 21/87 1989.80 21/87 Bil impoed 4 per cent to pesh the PortfolioSS 3908.87 3795.35 3790.36 379 but market high in spile of dull early start on Wall Street. 16679.02 245.72 1248.57 1330.24 1489L40 12/V98 224L85 12/V98 1120.81 12/V98 1188L55 24/12/87 18868.83 16830.47 246.16 246.75 1250.49 1255.06 1327.37 1326.00 20081.10 16/697 303.71 20/7/97 1590.28 26/697 1840.25 30/6/97 4836.59 4853.44 4787.00 **2013.47** 27/1/98 26 2nd Section Of bader Record issued 3.1 per cent and count market seded at RCCC. 54.89 55.72 55.53 98.21 20/5/66 95.72 96.44 98.03 1**94.2**0 6/5/87 85 about of results from Zinglung Power. 54.99 95.72 717.30 808.78 271/97 716.0 77.98 12/1/98 Sweden Allassacinites (s) 3541.8 3 Ole stack in locat but overal gains alight. Edusson moved lover. 2378.50 2/1/97 1.5 25.4 (u) 1145.62 of cectal report due fair week 7341.0 4583.24 3022.90 7/1/97 517.3 515.5 501.3 Mary 50 5010.07 4917.06 4852.33 4561 B1 4477.35 2596,22 611/97 Rees best fellers 12 to 3 as madest gained ground mo med all price eq 746.88 744.29 737.79 8757.50 8904.23 8869.41 nics seillengt from weak US both als **6941.7**5 611/97 1.1 212 and high as abbooks and oil section gained ground. 1318.40 23/3/98 758.40 23/3/98 to profit-taking. 1310.4 750.4 ## 738.9 Catro SE Gan 387.6 (2) 381.34 1298,0 743,5 508,67 499,75 508,55 **159,97** 22/1,877 339.17 12/1/98 **429.80** 27/97 HEX Beneral 4342.87 4356.75 4378.14 4378.14 19/3/58 of lower and shares dipped in very lower trading volumes. aland Cap. 40 2319.27 2393 con fell back and board market followed soit. SSF 250 CAG 40 2373.60 2390.85 2382.20 2382.29 19/3/98 3690.13 3698.91 3688.68 3888.81 20/3/98 533.19 2/1/9 SE AL-S100 OR leader bounced but broad market extlered prolonged profe-falling GGB1.51 18/12/97 1617.90 1613.70 1592.62 4788.70 4777.90 4719.20 4971.32 5001.55 4836.32 96521 27/57 267530 27/57 2848277 27/57 terany (vin SE ind Strong gades for Saga Pelanian 2261.68 2243.94 2240.89 2267.68 2271.0437 Il March Hydro and stares to starply higher. 1.3 **22.**A FI/S&P World(S) MS Capital lass Panel anny losse but still closel lower. Servens improved about of improvers armel ne 3209.33 1197.66 2765.50 (s) 156.46 3174.96 1195.48 2748.83 271.63 154.82 1197.86 23/3/98 2786.58 23/3/98 434.63 6/6/97 196.81 97/97 874.08 28/10/97 1582.98 2/497 188.25 12/1/98 125.19 12/1/98

THE NASDAQ STOCK MARKET THE NASDAQ STOCK MARKET 17 Well

10. E 1986 High Low Last Ching

10.0 4 463 20½ 18 19½, +1½

20 1445 25½ 24½ 24½ +½

118 3025 6½ 55 24½ 24½ +½

25 142 25½ 24 4 +1½

25 1742 25½ 24 4 +1½

25 1742 25½ 24 24½ +1½

18 12240 25½ 25½ 24½ +1½

18 12240 25½ 25½ 25½ 1½

18 12240 25½ 25½ 25½ +1½

25 142 25½ 25½ 25½ 1½

25 142 25½ 25½ 25½ 1½

25 142 25½ 25½ 25½ 1½

25 142 25½ 25½ 25½ 1½

26 15 15 11½

26 16 270 42 25½ 25½ 1½

26 16 25½ 25½ 25½ 15½

26 16 25½ 25½ 25½ 15½

26 16 25½ 25½ 25½ 15½

26 16 25½ 25½ 25½ 25½ 15½

26 16 25½ 25½ 25½ 25½ 15½

26 16 25½ 25½ 25½ 25½ 25½ 15½

26 16 25½ 25½ 25½ 25½ 25½ 15½

26 16 25½ 25½ 25½ 25½ 25½ 25½

26 16 25½ 25½ 25½ 25½ 25½

26 16 25½ 25½ 25½ 25½ 25½

26 16 25½ 25½ 25½ 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 25½

26 16 | N | No. | No. | Low Last |
101. E	160.	No.	Low Last
102. E	160.	No.	Low Last
103. E	160.	No.	Low Last
103. E	160.	No.	Low Last
103. E	160.	No.	No.
103. E	160.	No.	No.
103. E	160.	No.	No.
103. E	160.	No.	No.
103. E	160.	No.	No.
103. E	160.	No.	No.
103. E	160.	No.	No.
103. E	160.	No.	
104. E	160.	No.	
105. E		The color	Black
Figor A
Sheek Galany California Californi Street, Cardina Cardin ACC Carp
Recision E
Re 3 16 51 23 22½ 23 2173 1963 1975 1963 12 227 31½ 25½ 30 2722 4474 25½ 30 272 4475 25½ 35½ 35½ 47 45 25½ 35½ 35½ 90 37 419½ 18½ 18½ 12 7500 17½ 17½ 17½ 8 606 35½ 32 22½ 在海水等的外外推入的 的名词形的人的现代人物,也是他们。 Wang Lib
Marchel
March | Section | Sect Retaine<mark>)</mark> Retjo Read-Rito AMEX PRICES 100. E 1000 1000 Lear Green Chap
100. E 1000 1000 Lear Green Chap
1100 21 22 22 21 22 22 24 24
100 22 22 21 21 20 21 21 24
20 101 102 24 24 24
20 102 24 25 24 24
20 102 24 25 25 25 25 25
20 102 24 25 25 25 25
20 102 24 25 25 25 25
20 102 25 25 25 25 25 25
20 102 25 25 25 25 25 25
20 102 25 25 25 25 25 25
20 102 25 25 25 25 25 25
20 102 25 25 25 25 25 25
20 102 25 25 25 25 25 25
20 102 25 25 25 25 25 25
20 102 25 25 25 25 25 25
20 102 25 25 25 25 25 25
20 102 25 25 25 25 25 25
20 102 25 25 25 25 25 25
20 102 25 25 25 25 25 25
20 102 25 25 25 25 25 25
20 102 25 25 25 25 25 25
20 102 25 25 25 25 25 25
20 102 25 25 25 25 25
20 102 25 25 25 25 25
20 102 25 25 25 25 25
20 102 25 25 25 25 25
20 102 25 25 25 25 25
20 102 25 25 25 25 25
20 102 25 25 25 25 25
20 102 25 25 25 25
20 102 25 25 25 25
20 102 25 25 25 25
20 102 25 25 25 25
20 102 25 25 25 25
20 102 25 25 25 25
20 102 25 25 25 25
20 102 25 25 25 25
20 102 25 25 25 25
20 102 25 25 25 25
20 102 25 25 25 25
20 102 25 25 25 25
20 102 25 25 25 25
20 102 25 25 25 25
20 102 25 25 25 25
20 102 25 25 25 25
20 102 25 25 25 25
20 102 25 25 25
20 102 25 25 25
20 102 25 25 25
20 102 25 25 25
20 102 25 25 25
20 102 25 25 25
20 102 25 25 25
20 102 25 25 25
20 102 25 25 25
20 102 25 25 25
20 102 25 25 25
20 102 25 25 25
20 102 25 25 25
20 102 25 25 25
20 102 25 25 25
20 102 25 25 25
20 102 25 25 25
20 102 25 25 25
20 102 25 25 25
20 102 25 25 25
20 102 25 25
20 102 25 25
20 102 25 25
20 102 25 25
20 102 25 25
20 102 25 25
20 102 25 25
20 102 25 25
20 102 25 25
20 102 25 25
20 102 25 25
20 102 25 25
20 102 25 25
20 102 25 25
20 102 25 25
20 102 25 25
20 102 25 25
20 102 25 25
20 102 25 25
20 102 25 25
20 102 25 25
20 102 25 25
20 102 25 25
20 102 25
20 102 25
20 102 25
20 102 25
20 102 25
20 102 25
20 102 25
20 102 25
20 102 25
20 102 25
20 102 25
20 102 25
20 102 25
20 102 25
20 102 25
20 102 25
20 102 25
20 102 25
20 102 25
20 102 25
20 102 25
20 102 25
20 102 25
20 102 25
20 102 25
20 102 25
20 102 25
20 102 25
20 102 25
20 102 25
20 102 25
20 102 25
20 102 25
20 102 25
20 1 .4.000, Close March 23 Stack
Gatchell
Gatchell
Gatchell
Gatchell
Hard's
Hard's
Hard's
Hard's
Hard's
Hard's
Jet Court
Interest
Jet Roll
Ress
Ress
Ress
Ress
Ress
Ress Stock
Adding Add 134<sub>9</sub> 134<sub>4</sub>
404<sub>4</sub> 461 155<sub>4</sub> 151 155<sub>4</sub> 151 244<sub>5</sub> 255<sub>4</sub>
224<sub>5</sub> 255<sub>4</sub>
225<sub>5</sub> 255<sub>5</sub>
225<sub>5</sub> 255<sub></sub> Banco - Salur J **EASDAQ** Activicate U. Algorie III. Algorie Administ Systems U. Chemiente P. F. Chemiente III. Chemiente MCard USE2.75 +0.155 26560 8.125 225 order III,14900 +100 10620 15200 12450 order III,14900 +100 10620 15200 12450 order Systems FF16.5 0 18 9 management FF16.5 0 18 9 print holding GSE10 (SSE0 10.3125 6.825 6.825 10.3125 6.825 6. inaugunetics
integi. Serp. Syst. 49
Lumont & Hampie
Halleria
USSO.75 DOMAS USSE2 USSE3.6075 USSE4.675 USSE4.675 USSE4.675 USSE5.625 Sch1506 Sch1725 USSE2.63 -4 -02 -1375 -1.125 -0.875 +2.5 +0.125 +0.125 -225 -0.02 565 12.1 93 18.25 12.875 44.875 42.25 16.25 1692 12650 6.25 9.875 6.8 25 7.1875 8 20.5 10.375 2.125 13.625 900 3065 2.1 OCInsteps
Deletion A
Stitutes A
Stitutes B
Opinion II x
Colocia
Coloci K Switz Carrent Co Redy Sr Flacted x EZA-To Coll A Konstoff Vallatoff

0 87 26 23 23 24 47 1890 11½ 11¾ 11¾ 90 1052 21 20¾ 20%

Holiday gives

**EMERGING MARKET FOCUS** 

# STOCKOMARKETS

## Oil stirs investors more than sackings

**WORLD OVERVIEW** 

the sacking of the Russian cabinet ensured that invesat the start of the trading week, writes Philip Coggan.

Events in Russia had rather less impact than might have been expected even in Moscow where the RTS index closed 2.1 per cent cent down.

The appointment of a

minister seems to have reasdent Yeltsin's intentions

The near \$2 jump in the tors had plenty to talk about Brent crude price, in coning activity. The move followed the weekend agreement between Mexico, Saudi production.

The Saudis had previously ahead, after opening 4 per shown annoyance at overproduction by the Venezuelans and the oil price had

reformer as acting prime dipped to nine-year lows. Sectors moved accord-A surge in the oil price and sured traders about Presi- ingly. Oil shares rallied strongly in the US and Europe while on Wall Street. the obvious casualties - airtrast, sparked plenty of trad- line and automotive stocks duly suffered from the news.

But the oil price rally, if sustained, does put a dent in Arabia and Venezuela to cut some of the more bullish arguments for shares and bonds. Lower oil prices have played their part in keeping inflationary pressures at bay in the US economy.

Political turmoil in Russia

and a dull start for Wall

Street pushed FRANKFURT

lower, but the Xetra Dax

index still managed to end

above 5,000, having at one

At the close of trading,

dealers were claiming a tech-

nical win for the bulls given

the slightly weaker dollar

and the downside pressure

from events outside Ger-

many. The Xetra Dax ended

electronic trading off 31.03 at

Motor stocks reversed

recent strong gains. Volks-

wagen shed DM2 to DM1,448

ahead of tomorrow's annual

news conference. BMW

slipped DM35 to DM2,105 in

spite of a raft of broker buy

recommendations in the

wake of last week's strong

DM1.275 ahead of today's

annual news conference, and

Siemens put on DM2.50 to

DM121.15 on what brokers

described as a technical rally

after recent relative weak-

PARIS ran into profit-

taking, but a late recovery

left the CAC 40 index down

8.78 at 3.680.13, against a low

Oils rallied strongly fol-

lowing the bounce for Brent

Blend, the global marker

price, but the sector was a

rare upside feature. Motors

were under clear pressure

and selected banks lost

to FFr247 and Michelin

FFr8.80 to FFr350.1. News of

the formal bidding line-up

while Société Générale. which is on a shortlist of

three potential buyers of the

regional banker, fell FFr30 to

action with turnover in

Total and Elf Aquitaine

reaching a combined

FFr2.3bn. The former gained

FFr50 or 7.3 per cent to

FFr737 and Elf added FFr35

ZURICH shrugged off a

weaker dollar and the Rus-

sian political turmoil to

close at a record high. Short

covering and buying after

last week's futures and

options expiry beloed the

SMI index, which rose 40.5 or 0.55 per cent to 7,341.

Roche and Nestlė were

marginally higher ahead of

The oil sector saw frantic

Renault came off FFr6.70

ground heavily.

FFr1.100.

for the session of 3,661.28.

ness for the shares.

Linde added DM12 to

stage dipped to 4.960.67.

EUROPE

5.014.13.

results.

lower, before recovering, while the Dow Jones Indus- although its 6 per cent surge trial Average, previously did little to help the Seoul neck speed, had dropped 60 market inched ahead, points by lunchtime in New York.

Most of the largest European markets retreated a Brothers said: "In Japan, little in the face of the news but bourses in Athens, Brus- cash flow is heavily negasels, Dublin, Madrid, Milan tive. Combined with a bleak and Zurich all managed to record new highs.

Asian markets were fairly

AMSTERDAM continued

to probe record highs,

although it was a touch-

and-go session, with the

bounce for Royal Dutch pro-

viding just enough impetus

to keep the overall market

index ended up 1.92 at

F1 5.40 or 4.7 per cent to

Fl 121.50 in 13m shares

traded. Other index heavy-

weights were mixed. Uni-

lever gained Fl 2 to Fl 142.70,

but Philips came off 90 cents

to 148.10, and ABN Amro 20

ABN saw 9.1m shares

change hands on the news

that it was on the shortlist

of three bidders for French

regional banking group CIC.

KLM gave up Fl 2.70 to

cents to F1 47.30.

Saga Petroleum

Sep 1997

for CIC sparked selling. The shares added F1 L20 to

BNP lost FFr11 at FFr437.9, more than 7 per cent.

FI 84.50 on worries about

higher fuel costs following

Hagemeyer continued to

gain following last week's

successful flotation of 40 per

cent of the trading house.

MILAN was supported by

the positive sentiment sur-

rounding oil shares. The

Mibtel index rose 227 or 1

Eni, the gas and oil group,

which gained L510 or 4.2 per

and advertising company

controlled by Silvio Berlus-

coni, declined L552 or 4.6 per

cent to L11,585 after Rupert

Murdoch's News Corp broke

off talks last week about

HELSINKI edged lower

acquiring a majority stake.

amid heightened caution

over the political situation in

Russia. The Hex Index declined 13.88 to 4.342.87.

with Nokia down FM4.50 to

FM594 and Sampo FM3.30 to

OSLO firmed, led by oil

shares following the week-

end's agreement among lead-

ing oil-producing nations to

cut production. The Total

cent to L12,775.

er cent to 23,019 helped by

Mediaset, the broadcasting

the bounce for oil prices.

Share price (NKr)

1,122,90.

pointing higher. The AEX

Royal Dutch jumped

week, rose SFr22 to SFr1,265. FTSE Actuaries Share Indices

FTSE Eurotop 100

US Treasury bonds opened steady, with some signs of ance sheets only serves to revival in the Korean won, reinforce our negative stance heading for 9,000 at break- stock market. The Tokyo of escalating corporate casualthough many analysts are gloomy about its prospects.

Edwina Neal of Lehman leverage is high and free outlook for Japanese economic activity, the precarious state of corporate bal-

1199.58 1179.64

few weeks, rose 25.11 or 1.9

reports that Saudi Arabia,

Mexico and Venezuela had

agreed on production cuts.

Saga Petroleum rose NKr9.5

to NKr139.5 while Norsk

Hvdro added NKr19 to

NKr389. Oil service and rig

companies were also strong,

with Det Soendenfjeldsk-

Norske Dampskibsselskap

BRUSSELS touched record

levels as shares climbed to

within range of the 3.000

level. The Bel-20 index closed.

17.38 higher at 2,985.17 after

reaching a best of 2,995.78 for

Petrofina jumped as oil

prices rallied and Solvay was

also a firm market. The for-

mer ended up 2.8 per cent at

leader Solvay gained 2.2 per Paul Gregan

up NKr16 to NKr158.

Oil companies rallied on

per cent to 1,366.42.

on the market. The most likely scenario remains one crisis in the market."

packages since October, the economy appears to be heading back into recession." says Mark Cliffe of HSBC James Capel. "The yen, stock market and bond yields all seem set for fur-

1.93

+11.02 -2.03

to BF13,930.

6.7 per cent.

rising oil prices.

BFr3,910, and chemicals Terazono, Peter Hall and

4.44

cent to BFr2,800. Cement

group CBR rose 3.3 per cent

ATHENS pushed higher

for the sixth successive ses-

sion to lift the general index

gain extended the rally since

last week's news of ERM

entry to almost 27 per cent.

Construction shares over-

came early profit-taking to

end with a sector advance of

MOSCOW reversed early

politically driven losses to

close with the RTS index up

2.1 per cent at 342.85. The

index lost some 4 per cent in

early trading but recovered

Written and edited by

Jeffrey Brown, Emiko

well, helped by the news of

#### Yesterday's independence alties provoking a renewed day holiday in Pakistan gave Karachi's investors a breath-"Despite four stimulus ing space to recuperate from last week's losses.

lost 4.5 per cent, mainly a fall-out from looming political and economic uncertainty. Additional anxieties were triggered by reports that some of Karachi's brokers faced large losses. Dax shrugs off Russian woes But the main bear factor

has been the political strains within the unofficial coalition between the ruling alliance and the Muteheda Qaumi Movement, the regional Karachi-based political party.

The KSE-100 share index

The two groups have prevented the city from reverting to a long cycle of vio-lence that just three years ago claimed tens of lives every week. But relations between them have worsened in recent weeks.

Many investors fear an escalation in bloodshed if the ruling alliance breaks

Economic uncertainties have also dampened sentiment. The state-run Water and Power Development Authority is faced with a growing financial crisis after recurring losses.

A restructuring plan may begin to take shape later this month when a World Bank team of experts is due in 30.84 to a record 1,950.75. The Pakistan for discussions on reforming the power sector. Analysts say the authority's problems are of growing

concern to investors, worried its losses would hit profits in the engineering sector. Months of losses have already undermined confidence in the market's future and there are reports that at least four stock brokers out of more than 150 active on the market face growing losses and possible bank-

Nasir Bukhari, chief executive of Karachi's Khadim Ali Shah Bukhari, said: "The position of at least four brokers is in doubt, creating a

Pakistan break

confidence problem across the market." Some analysts also say the

formation of a Bharatiya Janata party government in neighbouring India has triggered uncertainty, amid wor ries that the BJP-led regime's nationalist posture would further escalate tensions between India and Pakistan. The outlook for private

power companies, known as "independent power produc-ers", is also uncertain: Prime minister Nawaz Sharif's government has often openly blamed the high tariffs given to the IPPs by his predecessor Benazir Bhutto as the main cause for the Water and Power Development Authority's troubles.

For many analysts, the government's attitude towards the IPPs is ambivalent at best, as there are also reassurances from time to time that Pakistan would honour "all its commitments" towards investors made by past governments. Mudassar Malik, a director

at Karachi's BMA Securities, said: "The concerns over the IPPs has added to the weakening sentiment." Mr Malik however added

that the KSE is unlikely to fall too far below present levels, mainly because many shares are trading substantially below their value.

Farhan Bokhari

.:---

### Dow dips in spite of oil sector rally

**AMERICAS** 

US equities took a rest in early trading, reversing the recent sharp rally, writes John Authers in New York. By midday, the Dow Jones first time late on Friday, was

the broader S&P 500 had

slipped 2.49 to 1,096.67. As Friday was a triplewitching day, on which sev- \$27%. eral futures and options contracts expired simultaneously, creating strong fluctuations, suggested the declines were partly induced by technical factors. The Dow gained 103 on Friday, so there was room

for consolidate. Boeing was the sharpest decliner among Dow constitfurther delays in deliveries. It said new production bottle-necks were hampering 51.02 to 7,463.86, helped by a the delivery of its latest 737 model, which is due to double production. The company's shares slid more than 3 per cent, off \$1% at \$51∯.

Oil companies provided the most significant counterthat some of the largest oilproducing companies had moved to trim output.

Exxon, the largest US oil company, gained \$1% to C\$78.80 and Toronto-Domin-\$68%. But the chief beneficiaries were oil services stocks. to C\$62.75.

Halliburton gained \$3% or almost 8 per cent, to \$5112, while Schlumberger gained \$4点 at \$77语, and Dresser Industries rose \$3% at \$4911.

But airlines and other transportation stocks, all Industrial Average, which sensitive to oil price rises, broke the 8,900 level for the suffered on the news. Delta Air Lines was down \$3% at down 71.24 at 8,835.19, while \$114%, while Southwest Airlines, a leading discount operator, saw its price fall 7.88 per cent, off \$2% at

> Technology stocks also bucked the trend, with the technology-weighted Nasdao dealers Composite index gaining 3.23 at 1,792.39. Computer makers enjoyed a strong day, after recent problems. Compaq Computer gained \$11, or more than 4.5 per cent, at \$24 ...

The oil and gas share rally uents, harmed by reports of following the Opec agreement led TORONTO higher. The composite index rose 5.4 per cent rise in oil and gas shares and a 2.6 per cent increase in the gold sector. The rise in natural

resource stocks helped offset a weaker financial sector. Suncor Energy rose C\$2.45 to balance, aided by news C\$53.40 and Canadian Natubefore the market opened ral Resources up C\$22.90 to C\$30.40. Barrick Gold rose 90 cents to C\$27.85.

Banks were dull. Bank of Montreal lost C\$1.00 at ion Bank came off 65 cents

#### Opec deal aids Mexico

rose 7 pesos to 168 pesos.

MEXICO CITY rose more by the recovery in oil stocks. 9.91 or 1.4 per cent to 698.1. YPF, an oil exploration and production company, rose 1.9 pesos to 34.35.

SANTIAGO edged lower following a jump late last week on the central bank's announcement that it would remove capital inflow controls on funds diverted to other countries. The IPSA index fell 0.38 to 104.71.

#### than 2 per cent on the Opec The Merval index was up agreement, and the IPC

index breached the 5.000 level for the first time since January 7. It gained 106.17 or 2.2 per cent to 5,023.23. Benchmark Telmex gained

70 centavos to 24.35 pesos while Tubos de Acero de Mexico, which supplies steel tubes to the oil industry, **BUENOS AIRES** was lifted

#### Bullion price boosts golds

**SOUTH AFRICA** Golds in Johannesburg

bounced, but the broad market turned lower with the all-share index slipping 13.6 to 7,166.1 as the profit-takers made modest inroads into last week's record highs.

Industrials marked time at 8.515.2. But it was a better day for the bullion price. which lifted gold shares.

Financials took the brunt of the selling, losing 27.7 to 13.206.4.

They added 18.5 or 2.7 per cent to 698.4.

their result announcements later this week. Roche closed up SFr90 to SFr16,570 while Nestlé added SFT46 to SFr2,751. Swiss Life, which expressed interest in acquiring French insurer GAN last

FM221.

### index, which has been hit by weak oil prices over the past

### Tokyo keeps to upward path

**ASIA PACIFIC** 

Japanese equities moved higher for the third session running, but trading in TOKYO stayed narrow as investors awaited news of the government's latest eco-The Nikkei 225 average

ended up 38.36 at 16,868.83 after trading within a range of 16.764.44 to 17,045.55 in thinnish activity. Volume eased back to 361m shares from 412m on Friday. Dealers said most inves-

tors sat on their hands, content not expose themselves to fresh position-taking ahead of the stimulus package. This is widely expected to be announced on Friday. Weekend comment on the

package, both in the press and on television, was described by brokers as mixed. The Topic index of all first-section shares ended 4.57 lower at 1,250.49.

The latest diffusion index of leading economic indicators was little help. The January index came in at 22.2, well below the neutral 50 mark for the fourth consecutive month.

Among the day's less robust features, Yokohama

Rubber fell Y10 to Y379 following a profits warning. Health foods leader Yakult Honsha tumbled Y100 to Y620 on news of heavy losses on asset management transactions.

SEOUL fell on institutional selling of blue chips ahead of the March book closing. The Kospi index lost nearly 2 per cent. down 9.72 to 511.90. Overseas investors were net buyers due to the rise in

the won, which jumped 6 per cent to this year's highest close. Domestic institutions sold blue-chip industrial shares. Samsung Electronics fell Won2,600 to Won76,900 and Pohan Iron and Steel Won2,600 to Won63,200.

Hopes of mergers and acquisitions helped some stocks. Kia Motors and its affiliates rallied following reports that Hyundai Group was taking over the carmaker. Kia Motors closed up Won750, its daily limit, at Won7,080 while Kia Steel gained Won135 to Won1,295. Shinwon, the knitwear and carpet maker, rose Won580 to Won5,430 on reports that its affiliate had sold its 34.1 per cent stake in Pfizer Korea to Pfizer of the US.

BOMBAY closed up 3.1 per



cent in spite of a delay in trading caused by computer problems. Investors were encouraged by hopes of greater political stability and comments by Yashwant Sinha. new finance minister.

The BSE index rose 119.28 to 3,959.68 as the BJP, which leads the coalition government which took office last week, looked poised to obtain greater control.

MANILA rose to a near seven-month high as the peso moved ahead in the foreign exchanges. Property shares were in demand and the composite index closed BEC World was the most up 35.92 or 1.6 per cent at active stock, up Bt6 to Bt246.

gained 3.9 per cent. Metro Pacific rose 24 centavos to 2.20 pesos and Ayala Land 75 centavos to 19.50 pesos.

TAIPEI moved into reverse in dull volume with the weighted index slipping 98.47 to 8,757.59. Electronics, hit by the latest fallout for US tech shares, did most of the damage. The sector index lost 2.2 per cent as Acer gave up T\$2.00 at T\$65 and Microchip T\$4.00 to T\$153. Financials were weak, but rubber shares rallied. WELLINGTON moved

steeply lower in line with a tumble for NZ Telecom which accounted for a third of the day's turnover and ended 5 cents lower at NZ\$\$8.80. The 40 capital index came off 30.75 or 1.3 per cent at 2,319.27.

BANGKOK made modest progress, with the SET index adding 3.92 to 503.67. Volume was solid at Bt3.5bn but brokers described trading as fairly directionless.

A government win in the weekend's no-confidence motion helped sentiment, but most investors stayed on the sidelines. TV operator

A joint stock company

Registered Office: Gence (Italy) Via Dante No. 1 - Head Office: Milan, (Italy) Piazza Corousio
lence Court, in the Companies Register under No. 22 and in the Banks Register and belonging to the Credito Italiano
Banking Group, registered in the Banking Groupe Register with Code No. 2008.1

Member of the Institute Fund for Deposit Protection

Capital: Lit. 1,439,955,693,500

### CALLING OF EXTRAORDINARY SHAREHOLDERS MEETING

The Shareholders of Credito Italiano are called to attend the Annual General Shareholders Meeting to be held on April 25, 1998 at 9.00 a.m. at the Bank's Registered Office in Genoa, Via Dante No. 1 and should it be necessary, a second sitting will be held on April 26, 1998 at the same address, but at 6.30 p.m., and again if necessary, a third sitting will be held at the same address on April 27, 1998 at 12.00 a.m. to discuss and debate upon the following:

#### **AGENDA**

1. "To grant the Board of Directors, in accordance with Art. 2443 of the Civil Code, the option to carry out one or more scrip issue increases in capital for a maximum period of five years and up to ceiling of nominal L. 5 billion, with the issue of a maximum of 10 million ordinary shares which may not be traded or transferred for a period of three years, to be assigned to the managing director and to the bank's other executive personnel who have taken part in the incentive plan approved by the Board of Directors. Consequent change to Art. 6 of the by-laws and related resolutions."

The texts of the proposed resolutions and their background papers, as well as the mandatory documentation on point 1 of the agenda, will be filed at the bank's registered office and headquarters and at Monte Titoli S.p.A. by the deadline and under the procedures established by

Copies of the Proposed Resolutions and the Notes for the Shareholders are also available to the public at all of the Bank's branches.

All Shareholders who possess ordinary shares may attend the Meeting, provided that they are listed in the Shareholders Register and that they have deposited their shares with any Credito Italiano branch or with Monte Titoli S.p.A. at least five (5) days before the date scheduled for the Annual General Meeting.

We ask Shareholders to note that they may also vote by mail. This is envisaged by a Ruling issued jointly by Banca d'Italia, CONSOB and ISVAP on December 30, 1994 and by Article No. 12 of the Bank's Articles of Association.

The mail voting forms, together with the admission tickets and, where envisaged, the documentation attesting that the person signing the voting form is legally entitled to do so, must reach Credito Italiano no later than the third bank business day preceding the date established for the Annual General Meeting (i.e. April 22, 1998) and be addressed to: Credito Italiano - Affari Societari - Piazza Cordusio - Casella Postale No. 991 - 20101 Milan (Italy).

THE BOARD OF DIRECTORS



# GLOBAL STOCK EXCHANGES

Exchanges are adapting to changing conditions and demands, but generally they do so from a position of strength. Simon Davies reports

## Success masks market turmoil

Global stock markets have turnover increased by 42 per been enjoying unprece-dented levels of activity, and in many cases profitability. But scratch the surface of this bull market boom and there is an industry in tur-

Competition has convulsed advances have made a stock exchange's location increasingly irrelevant to investors.

The introduction of a single European currency for an expected 11 European countries next year will furers between their respective stock markets.

Meanwhile, consolidation concentrating the client base for exchanges and increasing pressure for cost-cutting and efficiency gains.

dent in the recent decision shown its ability to handle by the National Association of Securities Dealers (Nasdaq) to propose a merger smaller, American Stock

It is a decision which raises questions about the on stock exchange floors, as practised by the American SE - Nasdaq operates an electronic trading system. It among the world's capital markets as investors push for lower costs and greater

RAORDINARI

cent to \$22,204bn, according London and New York. to figures from the International Federation of Stock Exchanges (IFSE). And the stock market value of listed domestic companies rose by 37 per cent to \$26,815bn.

The world's exchanges a world of hitherto protected handled the worst of the markets as technological Asian crisis in the fourth quarter of last year with aplomb, and the London Stock Exchange's new ordersuccessfully launched up. amidst this turmoil.

The exchange's chief execther erode competitive barri- utive, Gavin Casey, says: "The Asian crisis hit us at an interesting time, but we had to stick to the deadline. in investment banking is And a rather tough time investment in equities. proved the resilience of the system."

It has attracted criticism for lack of liquidity in early These pressures are evi- and late trading, but it has market volatility.

with the much older, but trading during the 1987 stock market crash, withstood the latest shocks, absorbing trading volumes of more than HK\$50bn in one day future of face-to-face trading and a one-day fall of nearly Criticism chiefly centred

on the New York Stock Exchange, where circuitalso points to the possibility breakers stopped trading in of substantial consolidation the world's largest stock market.

There are several trends which may support stock plans and the impact on fficiency. market activity. Big Bang' At least exchanges can financial deregulation is tackle these issues from a approaching Japan in the position of relative strength. hope of jump-starting the will only be a gradual loos-In 1997, global stock market country's aspiration to be a ening of regulations."

Tokyo is introducing computerised trading and pursuing measures to encourage business, such as facilitating off-exchange trading and broadening the range of

Merrill Lynch's recent acquisition of much of the bankrupt Yamaichi Securities suggests that international investment banks driven trading system was expect the market to open

Another significant factor driving stock exchange activity may be the development of private pensions and a shift towards a greater acceptance of pension fund

One important driver of this process will be European economic and monetary union (Emu). That has forced governments to tackle els, focusing minds on state The Hong Kong Stock pension liabilities and the Exchange, which suspended need for private pensions. need for private pensions.

The creation of a single currency bloc will also encourage cross-border investment since German insurance companies will be able to match local liabilities with investments in other stock markets.

Hans Christian Iversen, partner of Braxton Associates, a consultancy arm of Deloitte & Touche, says: The amount of money going into private pension equity markets is going to be gradual. There is not going to be a Big Bang, as there

But Dresdner Kleinwort Benson has predicted that in Europe, excluding the UK, institutional shareholdings will rise by about \$430bn per annum during the next three

Despite these relatively benign conditions for stock markets, the world's exchanges face a period of unprecedented challenge. Gerrit de Marez Oyens,

secretary-general of the IFSE argues: "What is dramatic is not just the extent of

One of the driving forces Exchange is pushing to pick for this has been technology. up foreign listings and aims In the past, access to the to have 600 overseas compamarket required dealings nies on its exchange by 2000, with a broker firm, who compared with 356 at the would deal through its end of 1997. employees on the stock

exchange floor. These days, electronic boasted 526 foreign listings trading platforms mean that at the year end and internathese dealing floors are becoming a thing of the past although Shangbai recently built Asia's largest stock exchange trading floor, despite having a fully-com-

puterised dealing system. The New York Stock George Möller, president of

says: "You have to become efficient, low-cost and offer fine pricing. If you don't offer that, then trading will migrate."

London brought down its

do the same, but the drive to

create more efficient and

ship structure and even

That is still substantially fewer than London, which transaction costs in the tional turnover 145 per cent higher than New York's in 1997, at £721.6bn. But New York is attracting many more fresh listings. Competition for listings is

mergers. inevitably affecting pricing

tus to an ordinary corporate structure, and it argues that it has become much more nimble as a result of becoming a profit-making organisa-

It has since pursued a merger with the listed derivatives exchange - creating a one-stop shop for cash and derivatives trading, which should reduce dealing costs and is trying to cement a regional alliance.

These moves have been somewhat defensive given the threat of losing trade in Scandinavian multinational companies to other

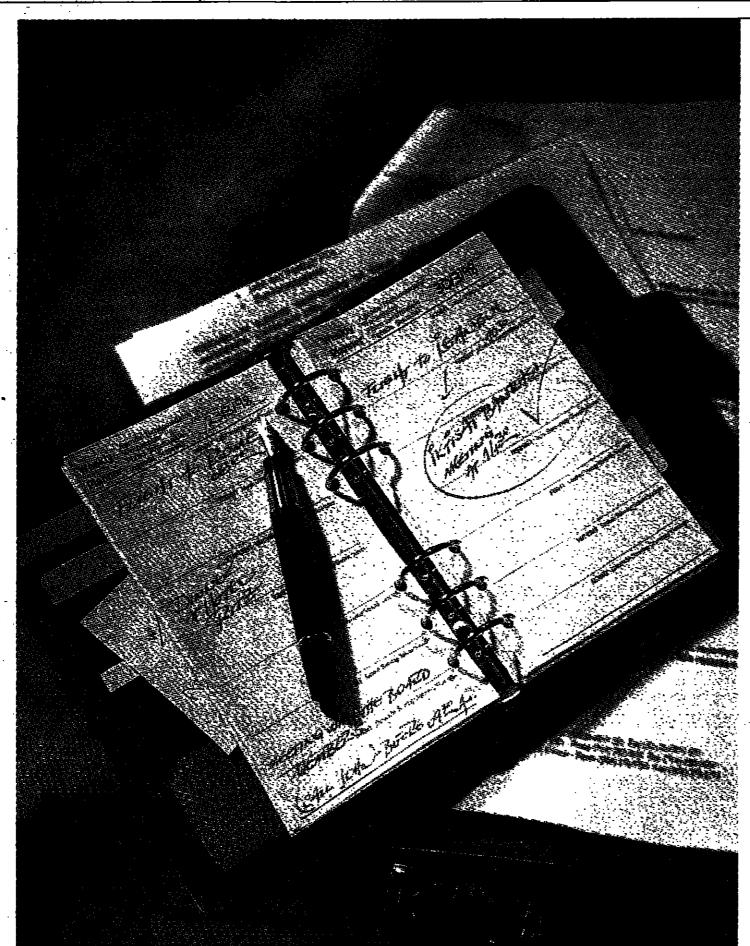
But Mr de Marez Oyens argues that there will be a trend towards the creation of integrated cash and derivatives exchanges. "These markets need to be locked into one common strain of activities otherwise they run the risk of pricing themselves out of the market," he says.

Other exchanges will come under similar pressure, particularly those within the soon-to-be-created euro zone. Hence the creation of the Euro Alliance between Germany, France and Switzerland, which is starting with convergence of their derivatives trading platforms but will eventually extend to the cash markets.

In the end, some analysts argue that there will be a drift of large multinational listings towards a centralised market place so that international investors can trade seamlessly across borders. The domestic exchanges would then play the role of nurturing smaller

local companies. Nick Stevenson, European equity strategist at Paribas, says: "There is a noble role call of once wonderful stock exchanges that have gone the way of the dinosaur. like Antwerp and St Gallen. If you had a blank sheet of paper you certainly wouldn't lead-up to its new trading start with this network of system, and Tokyo plans to national exchanges."

He argues that the network will probably continue lower-cost exchanges is to exist. But clearly, even leading to changes in owner- under the present supportive stock market conditions, there will be plenty of losers Stockholm led the way in among the world's stock switching from mutual sta- exchanges.



### When business comes to Turkey, banking comes to İktisat.

In a global economy, the demands of foreign trade finance require a reliable partner. A partner with the competence, experience and imagination to find the right solution for your opportunity.

As Turkey's full service merchant banking group, Iktisat has the resources, professional organization and technology to make fast, informed decisions to meet your trade finance needs.

And people with the commitment to building relationships that lead to success.

Find out why Iktisat is the choice in Turkey for more than 1,500 correspondent banks around the world.



Picase call Mrs. Nebahat Timur Tokgöz A.G.M, International Banking Head Office: Buyukdere Cad. No. 165 Esentepe, 80504/ Istanbul Tel: (90) (212) 274 11 11 Fax: (90) (212) 274 70 28

## A tale of two trade cultures

Merging a floor system with an electronic one presents a string of hurdles

with one that runs a quotedriven trading system over telephones and computers?

That question will dominate discussions in the coming months over the planned merger between the National Association of Securities Dealers, which operates the Nasdaq stock market, and the American Stock

Exchange.
The exchanges' attempt to reconcile two different trading cultures and technological platforms will in large part determine whether the combination can be completed. It will also shape the outcome of their ambition to create a stock market that can provide a stronger competitor to the New York Stock Exchange (NYSE) on

the world stage. At first glance it would seem that the Nasdaq has ods used by the other, claimlittle need for the trading floor close to Wall Street that has long been the Amex's home. The younger over-the-counter market, having succeeded in making itself the market of choice for fast-growing technology companies, outgunned its venerable competitor long ago - though Amex has at least succeeded in creating an active market in equity options, something that has eluded both the Nasdaq and

the NYSE. if electronic Also, interaction of investors' and traders' orders is the way of the future, rather than the hubbub of a traditional

NYSE, as well as the Amex. However, this combination will have to amount to more than the simple elimination by a large market of a weakened competitor if it is to

For a start, US regulatory How do you combine a stock authorities would be likely exchange which operates a to block any such reduction floor-based auction market in competition. Arthur Levitt, chairman of the Securities and Exchange Commission, said that both his agency and the Justice Department would want to make sure that the deal "in no way diminishes the competitive landscape in America's markets and provides investors with the same kind of opportunities they had before the merger, if not greater opportunities".

There are also vested interests at Amex which need to be appeased. Without the support of two-thirds of the smaller exchange's members the deal would die.

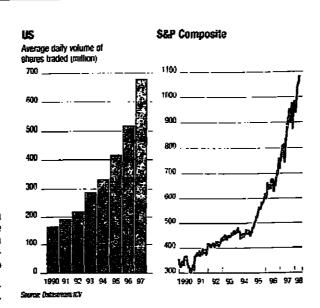
These considerations have helped shape the structure of the planned merger, at least in its early years. Each exchange has put considerable effort in the past into rubbishing the trading mething superiority for its own way of doing business, But in recent days, as the boards of each market voted their support for the combination, they were at pains to claim benefits for operating their rival trading methods side by side.

The case for the NASD in running its own auction market, rather than just one that relies on marketmakers, rests on the argument that it would be able to attract and keep more companies than would otherwise he the case. The exchange has long suf-

fered the defection of some of its biggest companies to the NYSE - a one-way flow, floor, then Nasdaq can claim since the latter's listing to be ahead of the larger rules have made it difficult

ternational

Are you thin or are you out?



for companies to delist, even if they wanted to. Those companies left mainly for the imprimatur of the NYSE, though supporters claim specific benefits for the its trading practices. These include the claim that trading costs for investors are lower given the absence of a marketmaker's spread, as well as the argument that companies have more protection under NYSE trading rules from attack by short-sellers.

Offering companies the option of moving to its own auction market might answer some of these concerns. It would also provide an alternative way of handling less heavily-traded shares. Since regulatory action was taken last year to force Nasdaq dealers to reduce their spreads between buying and selling prices, many have simply stopped trading in illiquid stocks on the grounds that the spread is too thin to make a profit. An auction system could provide an alternative way of trading these stocks.

By combining the two different markets under one roof, though, would the Nasd actually stem the development of competition between rival market systems? The Nasdaq recently laid out the framework for an ambitious round of technology investthat would bring more of the features of an auction market into its quote-driven trading system. If it is twined with a separate auction market such as the

Amex, would it be as eager to develop new, hybrid methods of electronic trading that could circumvent the traditional exchange floor?

Richard Syron, chairman of the Amex. claims that a central trading floor would continue to be an effective way of handling transactions, as long as investors and brokers had the option of either having their orders completed electronically, or through the intercession of a human being.

The first attempt to combine these functions, according to the two exchanges. will be an automated central limit order book attached to the Amex's specialist system. Under this system, people outside the market would be able to channel their buy or sell commands directly to the specialists handling each stock: the orders could then be executed automatically against other orders already on the specialists' book.

Besides providing a way around the Amex's floor brokers, such a system would also boost the transparency of the market by giving outsiders a glimpse of the composition of buy and sell orders already in the system.

Winning the support of Amex members for such a system may prove difficult, though. A more efficient way ments for its own market of routing and executing trades electronically would pose severe competition for the people who currently handle the markets trades. Getting over that hurdle still

**GERMANY** • by Andrew Fisher

# Looking over borders

With the euro in its sights the Börse gears up for some stiff competition

The German stock market has been hitting new records this year after its runaway performance in 1997, but its management is more concerned with how investors will react to events in the near future than with their behaviour today.

Deutsche Börse, which runs the Frankfurt securities and derivatives exchanges. has its eyes fixed firmly on the start of 1999. With only around nine months to go before the euro is due to be introduced, it has been busily strengthening itself for the tougher competition and more unified capital markets that are expected to result.

Thus its efforts are directed not only within Germany but across its borders to neighbouring Europe and beyond. European economic and monetary union is at the centre of Deutsche Börse's strategy of making the German capital market as technologically up-to-date and efficient as possible, as well as forging partnerships with other national exchanges and opening up membership more widely to foreign participants.

Deutsche Börse is now equipped for European competition," Werner Seifert, its chief executive, said at the official 1998 opening reception. He cited the new Xetra electronic stock trading system, which began in November, the Neuer Markt (New Market) for young, innovative companies, which was launched a year ago in Frankfurt, the new family of euro share indices, and links with the Swiss and French exchange

Promising though these initiatives are, however, they by no means guarantee that the German exchanges will emerge as winners from Emu. London is determined to retain its prominence, regardless of when and whether the UK joins Emu, and Paris is also not to be dismissed lightly. In the end it will be the big institutional and other investors



they want to trade. Moreover, the German stock market still has some catching up to do in world terms. Although Germany has the world's fourth largest stock exchange, market capitalisation in relation to the size of the economy is far lower than in the US. Britain, or Japan. The pace of new issues is also slower. Tax reforms and changes in

law to encourage Anglo-Saxon type pension funds - which would be heavy investors in equities would stimulate the market considerably. Yet these are unlikely until after September's general election. So Deutsche Börse is determined to make the most of what advantages it has ahead of the challenging

environment of Emu. Through Xetra, which costs nearly DM150m, it now has a Seifert hopes will help Frankfurt gain maturity as a financial centre. It initially replaced the Ibis electronic trading sys-

tem for institutional investors. Later, it will be extended to cover the full range of securities dealings. who decide where and how Xetra makes trading Deutsche Börse. With the

rs...to the lighter side of business: On the Frankfurt exchange many traders work in fancy dress to mark the last day of carnival

cheaper, more transparent and more liquid by automatically matching buyers and sellers.

Next year the system will be introduced to the Neuer Markt, another initiative aimed at enhancing Frankfurt's attractions for issuers and investors. So far this new segment has nearly 20 listed companies. The Neuer Markt has been developed mainly for dynamic young companies in the high technology sector. It has stringent listing and reporting requirements and its success has - for the moment, at least - kept the rival Brussels-based Easdag market at bay in Germany.

Deutsche Börse plans to take its segmentation policy with an east European market. One obvious way in which Frankfurt can develop as a financial centre is technological edge which Mr through greater links with the emerging economies across its eastern border. Deutsche Börse has just helped the St Petersburg exchange in Russia install a new settlement system.

> But it is western Europe, in the shape of Emu, which dominates the thinking at

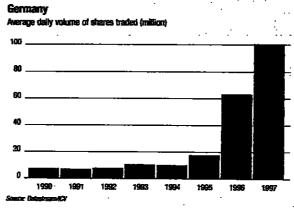
rency, investors are increasingly focusing their attention on sectors rather than countries. Xetra is one weapon which the Frankfurt. exchange hopes will win it an increasing share of the pan-European equities man ket. Smaller markets, which do not want to spend big sums on developing their own system, will be able to ... link up with Xetra.

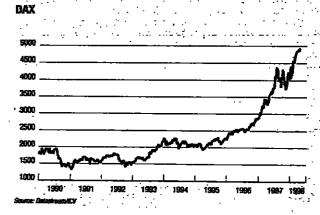
Frankfurt's euro ambitions also extend to the complex world of indices. It has combined with the French and Swiss exchanges and Dow Jones of the US to produce the Stoxx Index family. Two blue chip indices will comprise 50 top stocks across Europe and in the euro zone, only; two larger indices of will cover the broader market in euro and non-euro

shares. However, Deutsche Börse and its partners are not alone in the index field. Among their competitors in the bid to tempt institutional investors and derivatives traders to use their products are the Eurotop indices launched by FTSE International, owned by the Financial Times and the London Stock Exchange, and the Amsterdam Stock and Options Exchange. Standard & Poor's of the US also plans

new European indices. The euro will cause far-reaching changes in derivatives trading, too. Deutsche Borse - which operates Deutsche Terminborse (DTB), the German futures and optionsexchange - plans to merge this autumn with Soffex, the Swiss derivatives exchange, to form Eurex. They aim also to link up with France's Matif exchange to provide a formidable challenge to the London International . Futures and Options Exchange.

The DTB has already shown its mettle by recovering a large slice of trading infutures on 10-year German . government bonds (Bunds) from Liffe, so that the German exchange now accounts for some 60 per cent; an 80 per cent share is expected by the year-end. However, the London exchange remains dominant in overall European derivatives volume. The battle still has some





**DEMUTALISATION •** by Simon Davies

Maximisation of profits as distinct from protection of vested interests

is the new norm For many centuries stock

exchanges were like an extension of a gentlemen's club. Traders paid their fees, became members and then operated within an exchange which was, naturally, run for the benefit of the mem-

But the onset of international competition and the consolidation of their client base, with the evolution of global fund managers and investment banks, is leading to a radical shake-up of the old clubs.

Demutualisation - where companies abandon mutual status, under which they are owned by members or policyholders, to become conventional public companies - has brought huge business to exchanges through the listing of building societies and insurance companies. But it is now starting to take root within exchanges themselves.

Stockholm was the first stock exchange to take the plunge and to rationalise from being a co-operative to a conventional company, run to maximise profits suited the market users, we rather than to protect vested interests.

have announced plans to list from your members." on their own exchange. Amsterdam and Sydney have both agreed to pursue date to be more market-oriflotations, Paris appears to ented".

be on the verge of doing so, while the Milanese stock market has taken the Italian privatisation drive to heart by privatising the exchange

Of course, the competition that has driven this process is not new. Over the years it has resulted in the disappearance of many stock up doing little. exchanges from St Gallen to Antwerp.

be between regional markets in a single country. Since trading naturally converges on the most liquid market, the outcome was always inevitable. But technological

advances, and the realisation of the concept of global investment, has introduced has meant that the management of exchanges has become a vital issue. That, in turn, focuses attention on ownership structures.

George Möller, president of the Amsterdam Exchanges (AEX), argues that even for a listed stock exchange it is impossible to go against the will of the market's big users, who would have been powerful members under the previous mutual society.

But he says that demutualisation has enabled the AEX to be more decisive. "Now, once we have concan make a decision. But for a mutual it is very hard to That was in 1993, and make any decision - you get since then several others an awful lot of lobbying

He argues that demutualisation has provided "a man-

A problem faced by mutually-owned exchanges is that between those that own your because there are so many vested interest groups it." among the membership from market makers to small brokerages and international investment banks management can get be in different directions and end

The London Exchange's attempts to substantial changes can be But competition tended to introduce an order-driven trading system and new transaction reporting requirements faced opposin from various segments of its membership. This slowed the process.

Of course, demutualisation itself can prove disruptive. For example, the Milan exchange has been busy broader challenges and it restructuring ownership and regulatory structure at a time when those in Germany, France and Switzerland have concentrated their efforts on forming the Euro Alliance.

The alliance will initially drive convergence of trading platforms for their derivatives markets, but plans eventually to extend the alliance to the cash markets by

So far Italy has been left out of this process, although the alliance has left the door to a management of opening open to other potential mem-

Gavin Casey, chief execu-Exchange, says: "The important thing is to get the decision-making right. Management does matter. But once you have got that done, any consideration of ownership has receded. There is nothing intrinsically wrong with market and those that use

None of the stock exchanges in the Euro Alliance are properly demutualised - France's SBF is working towards a listing. but no official decision has yet been made. Yet the Alliance has demonstrated that driven by managements operating under the old club system.

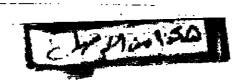
Exchange executives argue that little has changed at some of the markets that have altered their ownership

Gerrit de Marez Oyens, secretary-general of the International Federation of Stock Exchanges, points out that there will continue to be resistance to demutualisa-

"Exchanges still want to be masters of their own house. They don't want to run the risk of being taken

over," he says. The recent takeover of the Stockholm Stock Exchange by the city's publicly-listed derivatives exchange. OM Gruppen, may actually slow. down the process of change, by demonstrating the risks themselves up to the rigours of the stock market.

But Mr de Marez Oyens tive of the London Stock argues that the evolution of integrated stock and futures exchanges, under more dynamic managements that are beholden to independent shareholders, is one that is inevitable. Resistance to this change may ultimately mean



Direct access to

worldwide from

your desktop.

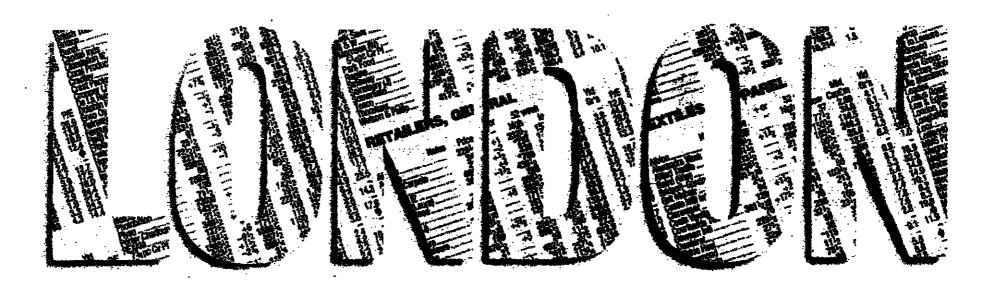
over 30 exchanges

Instinct is the world's largest



**The** 

raises capital in



# MORE INTERNATIONAL COMPANIES CHOOSE TO RAISE CAPITAL ON THE London STOCK EXCHANGE THAN ON ANY OTHER EXCHANGE IN THE WORLD

- London attracts more international funds under management than any other market in the world
- More international shares are traded in London than on any other exchange in the world

The London Stock Exchange's size and prestige have been recognised by well over 500 international companies who have boosted their public profile by listing in London.

Call us now to find out what opportunities a listing on the London Stock Exchange could provide for your company on +44 171 797 1372 quoting FTS/0398. You'll be in good company.

London stock exchange



www.londonstockex.co.uk. London Stock Exchange, Old Broad Street, London EC2N 1HP Fax: +44 171 410 6861

UK • by George Graham

# Electronic book settling down

Much has been achieved, but the new system still provides some concerns

The London Stock Exchange at last took the plunge last year, joining most other exchanges in the world by introducing an electronic order book in place of its traditional trading system, tem could perform well which depended on price quotes from marketmakers.

The exchange picked a difficult time to introduce its new order book, known as Sets - the Stock Exchange Electronic Trading System. When Gordon Brown, chancellor of the exchequer, arrived to launch the new era of trading on October 20 the market was already quaking from turmoil in Asja and doubts over the UK trading shows that the aver-

government's policy on mon- age spread between buying etary union in Europe, and selling prices on the Within minutes of the start of trading prices had fallen by more than 2 per cent. But for Gavin Casey, the

the market's fluctuations simply provided evidence of the order book's robustness. "South-east Asia hit us at

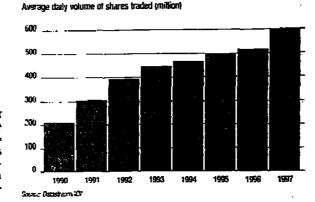
an interesting time in the week we launched. What that proved was that the sysunder pressure," Mr Casey Applause for the new

order book is not unqualified. In the first three months of trading, the book was still handling only 32 per cent of trading in FTSE 100 shares, with much of the remainder still handled by brokers acting as principals, as if they were still marketmakers. An exchange analysis of

order book has narrowed to 50 basis points from 62 basis points under the old marketmaking system - less of a exchange's chief executive, reduction than some institutional investors had hoped. More worrying for some market users was how wide

spreads were in the first haif hour of trading. Early morning spreads averaged 120 basis points in the first month after the order book's launch, though by mid January they had dropped below 70. Similar problems have been experienced at the end of the day, and this is worrying to fund managers because it can affect the closing prices they use in their portfolio valuations.

Retail investors, too. remain worried about the new system, in part because their orders are often placed overnight and fed into the



the day, when liquidity is at

The exchange will soon start to consult market users on possible modifications to the system, which could include shortening the trading day or introducing an end-of-day auction.

The new chairman of the

stock exchange, who took

over in November, is Lee

Hon-chiu, chairman and managing director of prop-

erty developer Hysan Development. He has pledged to

build on the work of his pre-

although sometimes as part

Other plans to grow the

exchange include setting up

mechanism for new share

of a dual listing.

1990

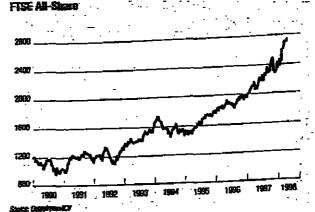
Manhattan of China".

The consultation will also look at whether the order dealing anonymity. book, used for the shares in London equity dealers the FTSE 100 index and a handful of other liquid stocks, should be extended to the mid-capitalisation companies. The original intention was to move on as soon as the system had

system at the beginning of proved itself, but many market users are now arguing for caution before an extension to stocks which are likely to be less liquid.

Although the exchange has ruled out the introduction of a central counterparty, some member-firms continue to advocate this system as a way of reducing settlement costs and offering

believe the new system's results overall are encouraging, noting that more than three-quarters of all trades use the order book price as a reference even if they are



executed away from it. The introduction of the natural liquidity, and the definition of success should be that it works when there is natural liquidity and that it provides a genuine price reference for over-the-counter block trading. It is working for those things," said Hector Sants, co-head of European equities at Warburg Dillon Read, the investment banking subsidiary of the soon-to-be-merged Union Bank of Switzerland and

Swiss Bank Corporation. The move to natural

liquidity has exposed how

CROSS-BORDER TIE-UPS • By Michael Prest

adapt to, and to the sudden price anomalies that it can cause in less liquid shares. Yet it is striking how far the debate has moved in the

past two years. At the beginning of 1996, the exchange was dealing with an internal restructuring triggered in part by the transfer of share ment functions from its own Talisman system to Crest, which meant a onethird cut in staffing and the

dependent the old London

market was on market mak-

ers' obligation to provide

price quotes at all times.

Many fund managers are

still finding it difficult to

loss of £65m a year of

At the same time, the exchange was torn by arguments over whether to introduce order-driven trading, and lost its chief executive Michael Lawrence, in a members' revolt.

A year later the introduction of the order book was accepted, but debates raged over whether dealers should be obliged to put their block trades through the order book and when they should be allowed to delay publication of trades.

Today those arguments are forgotten and the order book is up and running. Despite the loss of settle. ment income the exchange has been able to cut dealing costs for members by 60 per cent - though a 36 per cent jump in turnover of UK and international equities last year to £2,456bn has belowd

to ease the pain of that cut.
The problems have evaporated. The issues have been addressed. All those things which were bogging us down have been dealt with and we are now in much better shape to deal with the challenges we face," says Mr

HONG KONG • by Louise Lucas

### **Lessons from** the crash

Improvements to regulation will continue in bid to enhance reputation

It hurt, but Hong Kong regulators could not have asked for a better opportunity to demonstrate the maturity of its stock exchange than the Asian-precipitated collapse of global stock markets in

That crash, which resurrected memories of the last big global stock market collapse, Black Monday in October 1987, was handled with aplomb by the territory. Technology and risk systems put in place since 1987 were unfazed by the huge volumes (of over HK\$50bn in a single day) and drops in value of more than 10 per cent in a day.

the 1987 crash were conspicuous by their absence. Margin calls on the future exchange adjusted to reflect the volatility, were made smoothly and without

recourse to closure. Echoes of 1987 ended with the crash itself. In 1987 the stock exchange was closed for four days, government officials and regulators scurried around trying to put together a 'lifeboat', while international investors looked on with scorn and

incredulity. Hong Kong was forced to act fast to win back its reputation - and to take radical steps forward. Today, brokers cite three big steps taken at that time as turning around Hong Kong's repute in the eyes of international investors: reducing the role of the exchange in listings and creating more transparency; adding an layer of and the layer regulation; automation of trading and

settlement systems. The most fundamental change was to break up the clubby cartel that ran the stock exchange (the then chairman, Ronald Li, being

jailed for corruption). Responsibility for pricing, once an issue that required approval from the listing committee, was passed entirely to the market. Candidates received listing approval according to clear and transparent criteria.

Next came the creation of the Securities and Futures Commission, a regulatory body overseeing both the stock exchange and the futures exchange, and further down the line - the establishment of computer automated trading, settlement and central (paperless) clearing.

still ongoing - reflecting the fact that hiccups remain. affiliated to brokerages. The collapse of CA Pacific Securities, a retail between the regulatory listed in Hong Rong). Chiinvestors hollering for and the Hong Kong Monephysical share certificates. and brokers still complain of bottlenecks in trading when there are big bull or bear

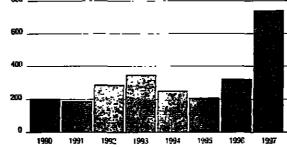
runs on specific stocks. One example of trading inefficiencies is the edict that brokers are restricted to one in-hall terminal based on the stock exchange floor and one outside terminal. The stock exchange is now trying to solve this with a mechanism enabling brokers to feed in multiple

terminals. A regulatory black hole emerged in last year's crash: introduce a proper regulamargin trading on the stock exchange. Retail brokers in Hong Kong have traditionally offered their clients the ability to trade on margin, often of up to 70 per

Retail borrowed money in the first half of last year when the frenzy for red chips - or mainland-backed companies - took hold. By October,

however, brokerages were reining in the amount of main focus.





lending they were prepared to do and gearing levels are now back to substantially less than at the time of the 1987 crash, brokers

Even so, the heady combination of margin trading. falling markets and a growing number of suspended stocks created a casualty and subsequent call for A decade later the work is greater regulation of the money lending companies These companies fall brokerage, in February of scope of the SFC, which cov- na's experiment with single this year resulted in ers the securities industry, overseas listings outside tary Authority, which super-

vises banks. CA Pacific Securities, the casualty, collapsed after financial problems at its money lending arm. CA Pacific Finance, Investors efforts to retrieve funds were frustrated by the fact that shares had been transferred from cash accounts to margin accounts.

Donald Tsang, Hong Kong's financial secretary, said the company's collapse would reinforce the government's determination to tory system as soon as nossible. "The margin financing company has been a sore point in our regulatory

The government and regulators are looking to investors improve other areas, too, as accelerated their trading on part of ongoing attempts to enshrine Hong Kong as the region's financial centre. This includes attracting regional and multinational secondary listings, although China is set to remain the

#### links between centres are becoming irresistible

One of the great paradoxes of recent years is that financial markets have become international while the organisation of stock exchanges has remained national or even local.

The pressures for

Their leading members are often global investment banks and some of the stocks they list are household names around the world. But stock exchanges have clung to their distinct identities like gentlemen's clubs in a world of discos.

decessors in realising "the The positive reasons vision of Hong Kong as the behind stock market independency are that many Part of this will be to constocks attract local or tinue listing mainland comnational investors and panies, both as red chips or exchanges are embedded in as H shares (the scrip of fornational rules and mer mainland enterprises regulations. However, there is a negative side; stock exchanges tend to be owned controlled Hong Kong appears to have member-firms which feel fizzled out following weak threatened by change, while performance and thin liquidthe long-run interest of ity in mainland stocks in the US: recent issues have all served by isolated

been in Hong Kong. exchanges. Whatever the reasons, the pressures for tie-ups between exchanges are becoming irresistible. Investment a second board, similar to banks, which see the world Nasdaq in the US, to develop as their oyster, are losing a deeper listed debt market patience with what they and to improve the offering regard as the high costs of dealing and clearing in multiple, protected markets.

# International

marketing at the Exchange in London, says: "There's a general view that the investment banks are supporting too high a cost structure. The pressures are particu-

larly acute in Europe, where every European Union member has at least one stock exchange. The 1996 investment Services Directive broke down barriers by allowing remote membership of exchanges - such as trading on the Deutsche Börse in Frankfurt from a screen in Paris. An equity culture has gathered strength, partly fuelled by the need to fund Europe's gigantic pension obligations. And, above all, the imminent arrival of the single currency has concen-

trated minds powerfully. land, where Zurich has

The emergence of single or dominant national exchanges is a form of negative tie-up. It achieves the economies of scale that underlie the drive to reduce unnecessary competition

A similar process can be seen in the combination of derivatives and equities exchanges. This could be seen as the second stage of mergers in Europe. London is now the only important European financial centre where the cash and derivatives markets are indepen-

Technology, particularly dently owned and run. screen trading allied to order-driven systems, has largely demolished national

boundaries. Martin Wheatley, head of markets development and

Competition between markets and contain costs However, the Euro Alliance has already borne quiet results. Almost unnoticed investors is not necessarily if only because it can be politically delicate - the first stage of consolidation has occurred. Regional and local exchanges in continental Europe have gone the way of their counterparts in the UK 20 years ago. In Germany, for example. Frankfurt has emerged as the dominant exchange. Much the same has happened in Switzer-

eclipsed local exchanges.

This merger of derivatives and cash markets has opened the way for a third

stage - an attempt to link derivatives trading in Frankfurt, Paris and Zurich. The Deutsche Terminbörse and the Swiss Options and Futures Exchange willmerge in the autumn as Eurex, offering investors a single system embracing

trading, rules and clearing. The two exchanges have also formed Euro Alliance with Paris, intending to have a similar set-up for derivatives trading operating by January 2002. Speculation suggests that Vienna, a small and rather provincial if venerable exchange, may soon join the Alliance.

Walter Aliwicher, spokesman for the Deutsche Börse, says: "It is a common goal of the partners that we will try to get the cash markets linked as well. We're planning to do for the cash markets what we've done for the derivatives markets."

This, of course, is the final partners are reluctant to speculate about timing. Given the somewhat vanid grand plans recently floated. caution is justified. But movement elsewhere suggests that consolidation of cash equity trading is more than a pipe dream.

The Stockholm and Copenhagen exchanges are pushing ahead with merging their trading systems by the middle of this year and hope to extend their venture across Scandinavia and the Baltic states to create a single Nordic bourse. The new markets designed for small, fast-growing companies in Amsterdam, Brussels, Frankfurt and Paris are devising a common front end to allow

access to all the listings. Known as EuroNM, the link-up will have a common data feed and EuroNM index. Only last month the Euro Alliance launched a group of European equity indices in conjunction with ups Dow Jones, and Eurex plans to introduce derivatives based on the indices later

ime for a new exchange this year. The London exchange already has a femily of Eurotop indices, and the most widely watched the Eurotop300 index = is: also expected "to spawn derivatives soon.

But so far the pattern of tie-ups between European stock exchanges is murky. At one level there is the problem of what happens to Europe's often ancient and proud bourses. It is hard to imagine them subsumed into one grand Euroexchange. Cross-holdings may appear made easier by the abandonment of mutual ownership by most exchanges. Jointly: owned offshoots are another

possibility. At the operational level there is the problem of how mergers deliver services to customers. The great dread among investment banks is that a futile struggle will develop between rival trading systems, and that in the meantime the vital question of seamless and cheep clearing will be ignored. "We could have a VHS-Beta batof money on it." says the head of equity trading for

one leading investment; bank. For him the solution lies. with a pan-European trading system that can be mimicked in-house and connected to clients. Common

clearing would be an essential complement.

But the logic leads to have ing just one European exchange - at odds with the "credit card" vision of competing brands (stock exchanges) using a common infrastructure.

The outcome is further complicated by London being virtually isolated While the UK dithers over joining the single currency. Continental European exchanges decry talk of competitive advantage, but the euro may well be an opportunity to win market share European experience so far suggests that operational tiebetween stock exchanges in the rest of the world could be slow in com-

### HAT BROUGHT THEM TOGETHER? BILLIONS IN BONDS. WHAT KEEPS THEM TOGETHER? THE BANK OF NEW YORK.

Today, one hundred billion dollars in government bonds will pass between Prudential Securities and its investors. & Fortunately for their clients, Prudential Securities traders can see instantly how each trade has been settled, and how much cash and securities are on hand. • The bank that makes this happen? The Bank of New York. • Thousands of clients worldwide are using The Bank of New York to create, maintain, and enhance relationships with their investors. In New York, Prudential Securities trader Bill Kirby and investor Rob Kapito are just one example.

TRANSFER AGENCY SERVICES

SOLUTIONS FOR INVESTORS AND ISSUEDS

TRADER: Bill Kirby.

SECURITIES LENDING

INVESTOR: Rob Kapito.

**REGULATION** • by Christine Moir

# New rules in changed world 'Big Bang' calls for

Limits on global capital flows is one area under review by financial markets

When Alan Greenspan, chairman of the US Federal Reserve, warns that the world financial system needs "to be reviewed and altered as necessary to fit the needs of the new global environ-ment" (as he did in February) financial regulators around the world start thinking hard.

Already some have called for a new variation of the 1944 Bretton Woods Agreement which produced a generation of stability in international monetary affairs through fixed exchange rates and financing facilities available to smooth over

short-term crises. Bretton Woods was finally abandoned when it was perceived to be holding back international capital growth. For the past 20 years orthodoxy has swung behind a laissez faire approach to capital flows. But that era in turn may be on the wane should be devised and with innovations such as European economic and monetary union tipped to accelerate capital growth by eliminating the currency risk which keeps more riskaverse investors out of inter-

w exchang

bly which they blame for a number of crises in emerging markets and, particularly, for the South Asia financial emergency with which the world's markets are still struggling.

There is far from agreement, however, whether such controls should be statutory or reached by voluntary consensus among international investors and lenders and the markets in which they choose to func-

As might be expected of a self-regulatory trade association, the International Securities Market Association is strongly in favour of the voluntary route. This, it argues, is not at all like opting for no regulation. The new market in euro-

denominated securities, when it starts next year, "will have to operate on the basis of a common rule book and common clearing systems," John Langton, ISMA's chief executive, told the Euromoney International Bond Congress in London in February. But these agreed to by professionals who know the market rather than by governments who could, through unfamiliarity, inadvertently destroy its efficiency and attractive-

set on global capital flows to voluntarily accepted stan-prevent excessive oversup- dard, not least because it has border debt instruments, the pated introduction of inter-

Mr Langton also draws rule book has been tested by 30 years of turbu-lent market conditions since it was devised by the Association of International Bond Dealers (ISMA's original name) to regulate the infant eurobond market.

ISMA's involvement in

shaping regulations for investment markets is not limited to the nascent euromarket. Within Europe it is involved in monitoring the three EU harmonisation initiatives to affect the financial community: the Investment Services Directive, the Capital Adequacy Directive. and the Third Insurance

Directive. The fact that such monitoring is still necessary a year after these regulations came into force is a telling sign of the difficulty of making cross-border regulation stick even within a relatively homogeneous region. On a truly global basis the difficulties are only magnified. Yet some successes have been achieved.

In 1995 ISMA was largely responsible for introducing the Global Master Repur-ISMA is confident that its chase Agreement (GMRA) as

"already been adapted to repo. GMRA is now in force accommodate the antici- in 35 jurisdictions, and negotiations are under way to national securities denominated in the new currency". bring a selection of emerging markets within the fold. A membership of 775 from 52 strength from the fact that jurisdictions reinforces ISMA's power to affect future developments in

> In securities markets its reinforced primarily by its affiliation to the International Organisation of Securities Commissions (IOSCO). which held its annual technical conference and annual meeting in Hong Kong early this month.

global bond markets.

Chaired by Anthony Nech, the chairman of the Hong Kong Securities and Futures Commission, the technical committee had a thick pile of issues to confront. As with ISMA, progress has been easier on some than on

By the end of this year IOSCO is confident of comnleting its joint work with the International Accounting Standards Committee on new global accounting standards covering disclosure and accounting by multinationals.

No conclusion is yet in sight, however, on the work to improve communication between secondary markets which the 1996 Windsor Agreement was meant to put rule book will become the a means of regulating the in place to prevent another

Barings-style collapse. IOSCO is fostering relations which it hopes will lead to a global agreement but, meanwhile, many national authorities are pressing ahead instead with bilateral agreements with countries on individual Most Favoured Nations lists.

Mr Greenspan will not gain much comfort in his desire to improve standards position is possibly of capital adequacy for international banks when he learns of the difficulty with which IOSCO is struggling for minimum capital standards for stockbrokers.

There is a more cheerful report, however, from an education working party which is co-operating with the Asia Pacific Economic Forum to improve educational standards among regulators. The Hong Kong conference was told that an enforcement training course is now certain to start later

That programme will dovetail with ISMA's separate but complementary courses on regulation and compliance already available at Reading University and soon to be enhanced by a Master's Degree course.

Finally the Hong Kong conference embarked on the seemingly endless research which it is hoped will lead to a global consensus on the problems and opportunities the internet offers the world's securities markets.

# some swift reforms

Takin S.

Deregulation is likely to put even more pressure on

smaller exchanges Next month Commerz

JAPAN • by Gillian Tett

Securities, the brokerage arm of the German banking group, will make a small piece of Tokyo history. Commerz has decided to

take a seat on the Tokyo Stock Exchange (TSE) and, for the first time, the TSE has decreed that the broker does not need to have trading staff physically on the floor of the exchange - but can simply conduct it through electronic screens at a lower cost.

"Its very lucky for us." says Masashi Kawasaki. managing director of Commerz Securities, which is hoping to build a niche in this new electronic trading. "The change has come at just the right time."

This timing is certainly no accident. Next month Japan is due to start its ambitious programme of 'Big Bang' financial deregulation. One avowed goal of this is to turn the country into the type of financial centres that could compete with London and New York.

cial role in the reforms. But they will also introduce new competitive pressures on the exchanges as well. Consequently, the crucial question now is whether the exchanges can respond with

reforms fast enough to cope? They are certainly under has eight stock exchanges. Tokyo accounts for about 80 per cent of business, but Osaka has a particular niche in derivatives, while other tiny exchanges exist in places such as Nagoya and

Back in the 1980s, when Japan's economy was surging, business boomed. In 1988, for example, Tokyo's trading volume was 282,636m large global centres such as New York.

But the collapse of the bubble was a painful blow The Nikkei 225, the key stock market indicator, has halved in value in the last seven years, while trading volumes have fallen to less than half their 1980s levels.

This has left many industry observers predicting that some small exchanges could soon be forced to close. Meanwhile, Tokyo itself has fallen further and further behind behind London and New York - and experienced a foreign exodus.

In 1990 there were 125 foreign shares listed at the TSE. Now the number has fallen to around 60. Even Japanese companies have been increasingly turning to raise money: this month Takefuji, the consumer loan group, decided to sell shares only in overseas markets.

This exodus reflects several factors. One is Japan's economic stagnation and the low level of domestic investor interest. Another is the high cost of doing business in Japan and its cumbersome tax structure. But a frustration with the "cartel-



The floor of the TSE took on a deserted look this month with the

this later this year.

A third reform is the

planned introduction of off-

exchange trading, which is

also likely to come in later

this year. This step is in

itself forcing a fourth

change: efforts to make trad-

ing cheaper on the exchange.

Japan more attractive?

Hopefully, bankers say.

Mark O'Friel, a Tokyo man-

aging director of Morgan

Stanley, the US investment

bank, says: "The exchange has made great strides in the

lot of complaints about the

But irritants about the

broader certainly climate

remain. There is no sign that

Japan plans to reform its

cumbersome tax structure,

for example, and accounting

standards in business

'Big Bang' might - possi-

bly - deliver that. The finan-

cial reforms are intended to

include measures to promote

the development of a mutual

fund culture in Japan. This,

in turn, could trigger a surge

term: at present, for exam-

ple, mutual funds only

account for 3.6 per cent of

But few expect the surge

to come rapidly. Big Bang, in other words, is unlikely to

stock market transactions.

remain very poor.

TSE itself.

Will these reforms make

like" practices which have chips, and plans to extend traditionally dominated busi-

If Japan is to be believed, this is all about to change. For over the next five years the government plans to implement its sweeping Big Bang reform programme, which aims to introduce new competitive pressures into across the financial world. One key starting point will

occur on April 1, when stockbroking commissions will be partially liberalised. Full liberalisation will occur about a year later. But aside from high-profile last six month. I don't have a

reforms such as this, other changes are also tumbling out. Disentangling them is These changes will leave difficult but their overall the exchanges playing a cru- goal is clear. "We want to make Tokyo more efficient and better able to compete internationally," says Masashi Kawasaki, the TSE's managing director.

One leg of these reforms, for example, aims to broaden the range of products traded on the exchanges. This has pressure to change. Japan hitherto been very limited, compared with New York. But last summer Osaka and Tokyo introduced trading in individual stock options for the first time. Osaka plans to introduce more derivatives products, and Tokyo is planning six new basket indices on top of the existing Nikkei 225 and Topix baskets.

Another reform aims to introduce more computer-

provide rapid business relief for the exchanges - even if driven trading. This month, newcomers like Commerz Securities find it rather shares, on a par with other for example, the TSE lifted its ban on computerised easier to do business next trading in large-volume blue month.

**SWEDEN •** by Tim Burt

## Alliances are just the beginning

Consolidation throughout Scandinavia is now seen as inevitable

The Stockholm stock Stockholm and elsewhere in the two companies have a exchange, the largest in the Scandinavia that consolida-Nordic region, regards itself tion is inevitable. as a model for how European

and Tokyo. In the past year the bourse vival Most important, it has tives trading. decided to merge with OM Gruppen, the listed Swedish deal combining cash equity trading with futures and options trading.

While that marriage has yet to be consummated, the exchange has also announced a co-operation bourses. deal with its Danish counterpart to create Europe's first dation is partly defensive. cross-border equities trading The Nordic exchanges have

believes the agreement signals a further step towards share market. "This international alliance is more ambitious than any other attempted so far in Europe. And it could prove the model for integration in the Nordic market and beyond in the Baltic states.'

meanwhile, OM Gruppen has tied up with the Helsinki futures, and has forged a by the development of its exchange's derivatives mar-

All this activity sounds of such services late last

bourses can protect them. Mr Ryden says the next both cash and derivative selves against growing com- stage in that process could petition from the market be to expand the equity trad- integrated trading systems include the Finnish equities market, possibly followed by has drawn up several strate- a deal involving Swedish gic goals to ensure its sur- and Danish bond and deriva-

Other markets in the region have responded cauderivatives exchange, in a tiously, but favourably, to his overtures. For example, Juhani Erma, chief executive of the Helsinki exchange, has told investors that further co-operation is inevitable among Nordic

watched with unease as Bengt Ryden, president of some of the region's largest the Stockholm bourse, companies, such as Ericsson, the Swedish communications group, sought listings the creation of a pan-Nordic elsewhere to boost their international liquidity. This year Ericsson was admitted to the Nasdaq 100 Stock Index, reflecting the fact that it is 40 per cent owned by North American institu-

ship of Scandinavian companies has persuaded Stockbourse for clearing bond trading services, dominated would use its OM sharehold-

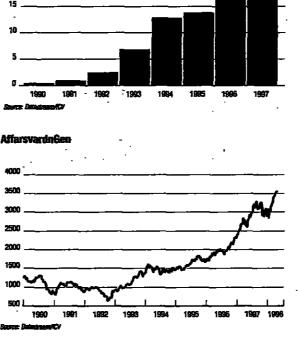
link with the Oslo stock new SAX 2000 electronic trading system. The exchange made much

breathless. But according to year when it announced its Nordic market analysts it merger with OM Gruppen. It reflects the realisation in said at the time: "Together, the next generation of trad-At the Stockholm bourse, ing systems that include instruments. As yet, such ket."

Officials at the Stockholm bourse also maintain that the OM merger shows that it has greater flexibility than other exchanges in responding to changing market trends. It has been able to do so, they say, because the exchange has been run as a profit-making enterprise for almost five years.

It was the world's first bourse to abandon mutual status in favour of a limited company operation. "Since 1993 Stockholm has been run as a public limited company, with shares held by institutional investors and members of the exchange," says Mats Wilhemson, a senior official.

But the proposed merger with OM Gruppen - what-ever the industrial logic has been dogged by controversy. Three leading members of the bourse. Handelsbanken, MeritaNordbankebn and FöreningsSparbanken. Increasing overseas owner- initially blocked it amid concerns that Investor, the main investment vehicle of Sweholm to modernise its den's Wallenberg family,



ing to exercise too much disillusioned by Stockholm's influence over the enlarged

They dropped their opposition only when Investor Asian economic turmoil. agreed to reduce its holding and after receiving guaran- bank, has warned that the tees of lower fees and attractions of the Swedish increased shareholdings in market may be further the merged group.

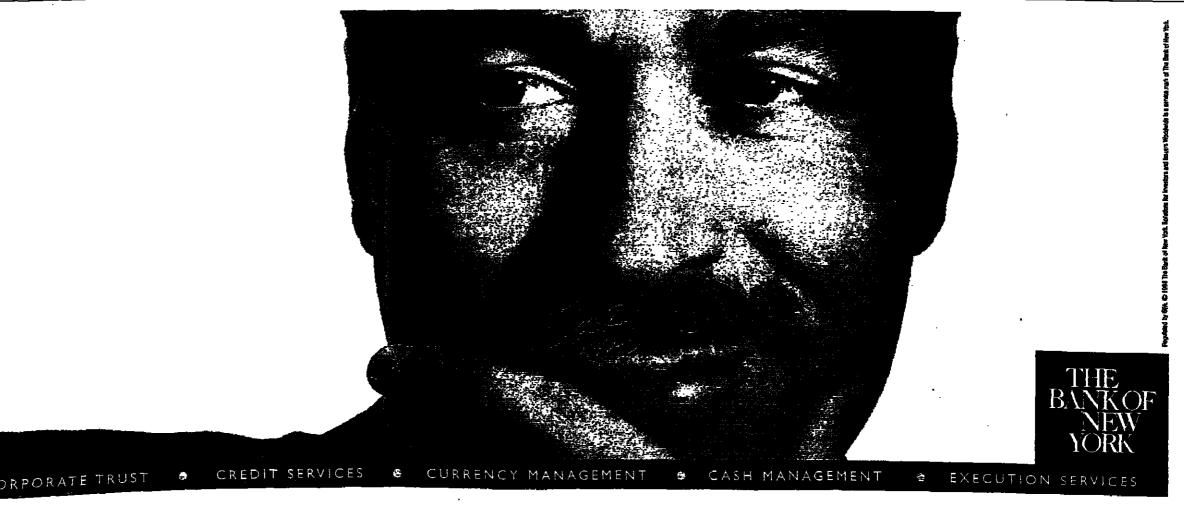
Per Larsson, chief executive of OM, says the final and the country's decision to approval for the scheme remain outside European should enable Stockholm to economic and monetary become one of the world's union. most liquid exchanges for driving force in a future ground lost following the north European exchange structure," he says.

Getting the right organisation in place is one thing, companies to list their in the Nordic region may be euro currencies.

dependence on export-driven companies and its exposure to external "shocks", such as

Merril Lynch, the US hampered by slower corporate earnings growth

Swedish market bulls. cash and derivatives trading. however, point out that it "We will thereby become the has recovered most of the Asian economic crisis. The exchange has already drawn up plans to enable but some would-be investors shares in either krona or third is a growing western



٧I

# Chaotic yet successful

plans to stamp out irregularities have made little progress, however

Turkey suffers double-digit inflation and its political system is racked by conflict between secularists and Islamists. But its stock market, based in Turkey's business capital of Istanbul. has still managed to emerge as the region's largest and most important.

International fund managers despair, however, at getting Turkey right because its chaotic politics and unpredictable economy can make a mockery of scientific stock selection. Predicting political and economic trends is no easier.

Last year, Istanbul's IMKB-100 index of leading stocks rose 86.7 per cent in dollar terms even though Turkey endured an inflation rate of 99.1 per cent, suffered a damaging confrontation between the Islamist leader Necmettin Erbakan and the secularist military, and was struck by fall-out from collapsing markets in Asia. divided over whether the

The government's mid-March this year, however, the index slipped even though market conditions were less traumatic than in 1997.

> Jean-Kees van Heusde, first vice-president at Britain's Schroder Capital Management International, says Turkey is a "market where macro factors are much more important than stock selection. 'Company A' may be an excellent company, but it could underperform by 50 per cent if inflation expectations go from 80 per cent to 120 per cent a year. Turkey is a high growth country and if you hit the (business) cycle at the right time you can do

Radhika Ajmera, director of Abtrust Fund Managers, says she takes a different approach. She usually ignores short-term news, be it good or bad, and makes buying or selling decisions for her London-listed Turkey Fund entirely on the intrinsic strengths of each

Analysts are at present unsure which way the market will move. Opinion is coalition

14.2 per cent in dollar terms, next, triggering early and of the companies". elections that could disrupt embark on a populist free-for-all to win election.

International investors little progress play an increasingly important role in Istanbul. Their boldings probably account for 20 per cent of market capitalisation of \$40bn but they are responsible for a far smaller share of average daily turnover of \$232m. The market is driven by local investors who are focused on short-term factors such as statements by political leaders, the outlook for inflation, interest rates and the currency.

However, this also means that insider-trading is commonplace, and powerful retail investors abuse their influence in the market. Gunes Taner, treasury minister and member of Mr Yilmaz's Motherland party. said last year that stock market trading "should be done properly and not things like insider-trading or leaks. Mechanisms should be set up so that the stock market

does not perform on

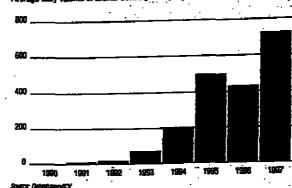
government of Mesut Yilmaz speculation, but on the will collapse this year or performance of the economy

Government plans to set the economy as politicians up a super-regulator with out irregularities have made

> A strong local investor base does give Istanbul considerable liquidity and allows foreign buyers to smoothe out peaks and troughs because they, unlike many retail investors, buy when prices fall and sell when prices rise. The Istanbul stock

> exchange, resurrected 12 years ago after decades of inactivity, is housed in a headquarters overlooking the Bosphorus. Trading is screen-based; settlement and custody is fully electronic; stock is held at Takasbank, the custodian owned by the exchange and brokerages: settlement is made two days after trading; and minimum commission is 0.2 per cent.

Large turnover provides commission income which pays for good service at principal brokerages. Staff speak and write good English Research products from brokerages such as Global, ATA and Eczacibasi.



are rated highly. Calum Graham, fund

manager at London-based AIB Govett, an asset management company, says "research is far better than in most emerging markets. The large brokerages are very good. They really know how to analyse a balance sheet and they have some excellent economists". Expert advice is probably

more important than in other emerging markets, both to guide investors through an uncertain political and economic environment and help investors to make sense of financial statements that international accounting

rarely meet standards. Few Turkish companies use inflation

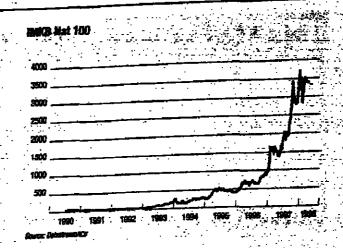
strip out the effects of rising prices on their balance sheet and profit and loss

One fund manager says

that Turkish law does not require companies to produce consolidated balance sheets. This has allowed holding companies to build up complex cross-shareholdings that may hurt minority investors. Some companies are known to have parked profits in unlisted subsidiaries and saddle public companies with debt or losses.

The government encouraging groups to unwind their cross-holdings. process

well-advanced at some blue chip companies such as Haci Omer Sabanci Holding, the



business group. Turkey has built up a it is only likely to develop fully once economic reforms

are complete. Privatisation has made little progress since the programme began in 1986: by December the government had raised just \$3.52bn, Social security

reform, which would reduce the government's big budget strong equity market in a deficit, is stalled inflation short time and in the face of continues raging at over 90 considerable difficulties. But per cent, pushing interest real rates to 25 to 30 per cent

Stopping inflation, lowering interest rates, privatisation and a private pension industry would contribute to a total transformation of the Istanbul stock market.

EMERGING MARKETS . by John Labate

### **Reasons tor** treading carefully

The impact of the Asian financial crisis continues to be felt on ADRs

The early 1998 boom in US stocks left at least one sector trailing the pack. In terms of share value and new issues, the past several months have been rocky for American Depository Receipts south-east Asian economies. Hard times continue for many companies from emerging markets with listings on US exchanges.

To some investors, the colbuying opportunity. Bargainhunters, however, should tread carefully. Some emerging markets are showing better signs of improving than

ADRs are a great opportuliquidity and exposure to stocks are dual listed, with tors eyeing some countries. shares in the company's home country as well as shares tend to rise and fall together and therefore ADRs are subject to the same volatility as the home country

The impact of Asia's pro-longed financial crisis continues to weigh on emerging markets. Asian jitters were the main factor behind the collapse in US shares late last October when the Dow Jones Industrial Average plunged more than 550 points in one day. But the crisis was generally shrugged off by US investors in the following months when it came to assessing the threat to US companies. Enthusiasm for US shares, including multinationals, drove the Standard & Poor's 500 index and the Dow Jones Industrial Average to a series of highs after the October collapse. The blue-chip based Dow added more than 630 points in the

first two months of 1998, an

impressive rise of more than 8 per cent. The market's recent run-up will provide a good buffer. Even if a new round of Asian warnings sends markets sharply lower in the spring months, shares of large US companies have a which to absorb another severe plunge. So trepidation, at least for US compain emerging markets, says James Donovan, head of Citibank's ADR division.

The Bank of New York estimates that ADRs from emerging markets fell in value by almost 20 per cent between late June and late December. The chill continues for many companies based in such countries that trade ADR shares on US

The Asian repercussions were felt not only among investors but in the supply of new ADRs as well. Many companies based in the region postnoned plans to launch ADR shares in the

The main cultrit remains lapse in Asian shares is a currency jitters stemming from Asia's massive crisis. which began last summer. The threat of rapidly falling values of local currencies has led many companies to wait for greater stability in the region before launching nity for companies to add ADRs in the US. In addition, political instability is rising,

Shares from Asia and Latin America were espeoverseas ADRs. Both sets of cially volatile as the Asian currency crisis unfolded last year. Shares in Telebras, Brazil's telecommunications giant, plunged from a high of \$164 in July to \$84 by early November. Shares. now in the high \$120s, are only slowly clawing their

way back. .. Other ADRs launched late in 1997 were more mixed. China Telecom, one of the most widely watched ADR listings of the year, has been an erratic but strong performer since its offering at \$27. For investors willing to stay the course, volatility will almost certainly continue for emerging market ADRs well into this year.

The outlook for emerging market ADRs varies from region to region. Mr Donovan believes that in some regions, especially Latin America and certain Asian countries such as Taiwan and Singapore, a rebound may be at hand. "We have seen the trend reverse since the middle of January," he But for those hardest hit

by the Asian crisis, including Indonesia, Thailand and Malaysia, recovery in ADRs may be a long way off. Overall, last year's market substantial cushion with for emerging market ADRs was seen as a comeback following the Mexican peso cri-

sis. In spite of the Asian crinies doing business over- sis in the second half of the seas, has eased considerably. year, a record \$11.5bn in new But investors' comfort capital was raised in emergwith Asian emerging mar- ing market ADRs in 1997, kets largely ends there. according to Citibank esti-From mid-1997 through the mates. Only time will tell if end of the year there was a 1998 will match that perfornet sell-off in terms of shares mance.

Fax-U-Back Information Service

For details of forthcoming issues of FT Surveys, DK calleds may use the Fax-U-Back Service.

The fax number to call is: 0990 209 908. For callers outside the UK, the fax number is +44 990 209 908

Technical note: Make sure your fax is in polling mode if you have a handset on your fax machine, dial the Fax-U-Back number and press start when instructed: Alternatively, the number can be dialled direct from the fax keyboard, followed

if callers have technical problems regarding this service, telephone 0171 873 4378. To obtain back copies of FT Surveys, call 0171 873 3324.

## **EASDAQ** is proud to present its

global network of members

**United Kingdom** ABN AMRO Equities (UK)

**APAX Partners & Co. Corporate** Finance

Banque Paribas

**BA Robertson Stephens International** 

BT Alex. Brown International **CIBC Wood Gundy Oppenheimer** 

Cowen International **Credit Suisse First Boston (Europe)** 

First Equity

Friedman Billings Ramsey International

**Granville Holdings** 

**Herzog Heine Geduld International** 

**ICE Securities** 

**ING Barings** 

**Lazard Capital Markets** 

**Lehman Brothers International** (Europe)

**Nomura International** Oakes, Fitzwilliams & Co

Panmure WestLB **Quartz Capital Partners SG Securities (London)** 

Skandinaviska Enskilda Banken **UBS** 

Germany

**Bayerische Vereinsbank** 

France

Banque Nationale de Paris

**Banque Sanpaolo** Crédit Lyonnais

**Du Bouzet** 

**Dubus** Hambrecht & Quist Euromarkets

**Pinatton** 

**SPEF Technology** 

The Netherlands

Effectenbank Ten Cate & Cie

ING Bank

MeesPierson

Austria

CA IB Investmentbank

Erste Bank der oesterreichischen Sparkassen Raiffeisen Zentralbank Österreich

WMP Börsenmakler

**Portugal** 

**Fincor** 

Denmark

Carnegie Bank

Den Danske Bank Unibank/Aros Securities

Belgium

**Banque Degroof Banque Paribas Belgique** 

**Banque Bruxelles Lambert** 

Generale Bank **KB Securities** 

Petercam

Puilaetco Italy

Banca Del Garda - Garda Bank Finnat Euramerica

Mediosim

**Switzerland** 

Banca del Gottardo **Bondpartners Index Securities** 

MFC Merchant Bank

MFC Securities (Schweiz) USA

Mason Hill & Co NationsBanc Montgomery Securities

Canada Yorkton Securities

One pan-European stock market operating across 10 European countries with one regulatory structure. one rule book and one seamless trading and settlement system.



EASDAQ, s.a. Koloniënstraat/Rue des Colonies 56 Box 15. B-1000 Brussels, Belgium Tel: +32 2 227 65 20 Fax: +32 2 227 65 67 EASDAQ Ltd., Warwick House, 65-66 Queen Street, London EC4R 1EB, UK Tel: +44 171 489 99 90 Fax: +44 171 489 88 80 For more information on EASDAQ please visit our website on: http://www.easdaq.be

THE EUROPEAN STOCK MARKET FOR GROWTH COMPANIES



**GLOBAL STOCK EXCHANGES 7** 

ALTERNATIVE STOCK MARKETS • by Vincent Boland

# Easdaq's aim is to break down the barriers

Young, high-growth high-growth and smaller to boost their pan-European dards are harmonised. A for head of European equities at companies are being encouraged to look across the borders for capital

Across Europe, alternative stock markets are emerging to provide high-growth access to capital and hoping to emulate the success of Nasdaq, which pioneered the entry of high-growth US technology stocks by introducing Silicon Valley to Wall

These markets include Nouveau Marche in Paris, London's Alternative Investment Market (Aim), and Easdag, based in Brussels. Their

the capital markets rather than rely on bank financing. The aim, says Stanlislas

Yassukovich, chairman of Easdaq, is to replicate Nasdaq by breaking down national barriers and promoting cross-border investment. "The whole point of smaller companies with Easdaq is access to capital on a pan-European basis." The exchange, established

a year ago, now has 25 listed companies, has raised some \$1.2bn in new capital, and has a market capitalisation of more than \$9bn. But it is not alone. The market place Germany's Neuer Markt, the for new high-growth company listings, which barely existed five years ago, is now fiercely competitive.

The national markets that emergence has coincided have sprung up in the past changes to ensure that regu- across Europe seems to us a

veau Marché formed an alliance with the Amsterdam exchanges and the Brussels EuroNM, aimed, like Easdag, at encouraging high-growth companies to look across borders for capital. At the end of 1997 EuroNM

across a range of sectors and a market capitalisation of more than \$6bn, and has emerged as a real challenger raised over \$1.2bn, and turnlisted companies now market can provide. amounts to \$47m.

on further co-operation international boundaries, among the four member-ex-

requirements, membership criteria, trading procedures Stock Exchange to form and disclosure rules, It has indices to track performance and provide benchmarks for investors.

Investors appear prepared had 62 listed companies to support pan-European stock markets but there is no sign yet that they are replacing national markets in importance Location is to Easdaq. Issuers have not the issue, investors say; the real question is the tradover per day in shares of ing infrastructure such a

"There is a role for a mar-EuroNM is now embarking ket that can look across and a common stock market

European companies to tap roles. In March 1996 the mal agreement in December a fund management group in Neuer Markt and the Nou- 1996 adopted minimum com- London. "Where that market mon standards in listing is located is not the issue. What matters is the trading side: what kind of trading system it has and how liquid also launched a series of it is. Whoever provides that will be the winner.'

Both Easdaq and EuroNM continue to face serious challenges from Nasdaq. For companies that have a dual Easdaq/Nasdaq listing most liquidity is in the US market, says Adrian Merryman, executive director at CIBC Wood Gundy Oppenheimer. who specialises in advising European information technology companies. But there are other issues at stake.

What differentiates the US market is not necessarily liquidity or the huge number

that is dedicated by investment banks and research sukovich said recently. We the question also arises of departments, and the sophistication of the investor base. That is only now arriving in Europe in the form of the US it. banks. It is an evolutionary process and one that clearly has to, and will, evolve," Mr

Merryman says. Some observers argue that it would be aided by the creation of a pan European regulatory framework to replace the national regulators that now exist. Easdag is especially keen to bring this about, and is seeking to persuade governments across Europe that more work needs to be done to create a single market for

equity capital. "If we are to create a truly single market for raising with a growing trend among two years have joined forces latory and operational stan- very good idea," says the of companies but the know- equity capital we need to

tory differences," Mr Yas- companies needing capital are close enough to having whether they can all sursuch a single market - now we are looking to achieve

dell in 120

If one does not develop, companies will continue to go to the US to raise capital, he warned.

"Clearly it would be very helpful if there was a common regulatory approach in place across Europe, but we competition is extremedon't feel it impacts on the good," Mr Pedder says. development of EuroNM," But he argues that such a development is not entirely necessary: "We have modelled a lot of our regulatory framework on Nasdaq. designed to meet the needs

of Kumpe." With the sudden arrival of Europe," he says.

All Ordinaries

so many markets for young vive, and in what form. Both Easdaq and EuroNM believe there is room for both of them - for now, at least. "I can't see any reason why two markets doing exactly vive, but it is far too early to predict which will be the winner. In the meantime the

competition is extremely However, Easdaq believes says Clive Pedder, the alli- it has the edge because it ance's director of marketing. has a common trading and settlement system; EuroNM is an example of the "fragmented system" that Mr Yassukovich says is part of Europe's problem. "I'm very encouraged that Easdaq is the market of the future for

AUSTRALIA • by Gwen Robinson

### Another milestone nears

On the back of soaring stock ownership the ASX is aiming for a public listing

The Australian Stock Exchange (ASX) is moving not yet really moved, as toward demutualisation and listing as a public company to privatising many of its later this year on a wave of soaring stock ownership in Australia.

More than 5.5m, or 40 per cent, of Australians now own stocks, either through direct investment or indition or managed funds, the due to the success last year munications group - and behind the US, where 43 per cent of adults invest in equi-

of AMP, Australia's largest grew from a daily average of auction-style process.

insurance and financial ser- A\$264m in June 1987 to vices group, and a string of A\$915m by mid-1997. other floats and privatisations over the next two years is expected further to increase the level of share toward listing as a public stockbroker members of the ownership.

"Given that Australia has many other countries have, public utilities, it sets a pretty optimistic outlook for the future of Australian capital markets," says Richard Humphry, ASX managing

The demutualisation and rectly through superannua- listing plan represents another milestone for the ASX said last month. The ASX after its creation in figure jumped 6.4 per cent in April 1987 from the merger just six months - largely of six separate state stock exchanges. The decade folof the government's partial lowing saw the development float of Telstra, the telecom- of an organisation with net assets of nearly A\$160m and brought Australian stock strong positive cash flows. ownership to second place - The capitalisation of the in percentage terms - equities market (domestic stocks only) rose from A\$184bn just after the incorporation of ASX to A\$440bn. The scheduled July listing while the value of trading Milan is pursuing an expand access to the market

parliament passed the necessary legislation to facilitate the process.

structures by stockbroking memberships. In addition to companies, instead of the the 520 individual members. traditional partnerships of nearly 90 corporate memberindividual members, was ships belonging to the large another reason, he says. As a result, the ASX faced an increasingly wide divergence of interest in its membership. "Those who derive sub-

stantial benefit from their membership these days are fewer than 100 stockbroking corporations, but the 500-odd individual members still comprise the great majority of membership and therefore of votes," Mr Humphry says. So far, only Sweden has demutualised its exchange in the manner planned

by Australia,

equally the ASX's net assets Late last year members of of about A\$160m in the form the ASX voted to demutuof about A\$160m in the form alise the exchange and work brokers, the 520 individual company, and the Australian ASX will receive shares worth about A\$270,000 when the exchange becomes a public company. Most paid The shift to corporate about A\$25,000 for their securities houses will also

While the allocations will

largest operators such as

Merrill Lynch, which has

about 36 corporate and individual memberships and is expected to receive shares worth nearly A\$10m. After listing the ASX will be quoted as a company on its own market under the supervision of the Australian Securities Commission, the watchdog body. The while aims of the process are to

and enhance its competitive-

ness in world financial mar- in its equities and deriva-

Such goals have already increased pressure on the ASX for faster growth and receive share allocations. profits from existing revenue represent a windfall, the top streams, as well as to create winners will include the new ones. Among recent

moves was the ASX's push in February this year to go fully electronic by ending the open-outcry system on cotions trading. Technology has also presented new challenges in the

form of the internet and upgrading computer systems ahead of the year 2000. As a relatively new stock exchange, the ASX is tech-nology-dependent with fully

computerised systems for

both trading and settlement

other automated procedures. The exchange last year hired US specialists to check its internally developed programmes for signs of year 2000 "bomb" problems. Although the system received a clean bill the ASX also uses computer programmes from external suppliers.

"In our case, proving the is by far the most costly part Humphry. Later this year test of its market-related entry of bids and offers to dividing a company's volfinal settlements of trades.

1990 To tap into the growing number of shares on issue. tives markets and a host of use of the internet, the ASX The new rules have caused has launched its Enterprise concern that some large and Market to help small and established companies with

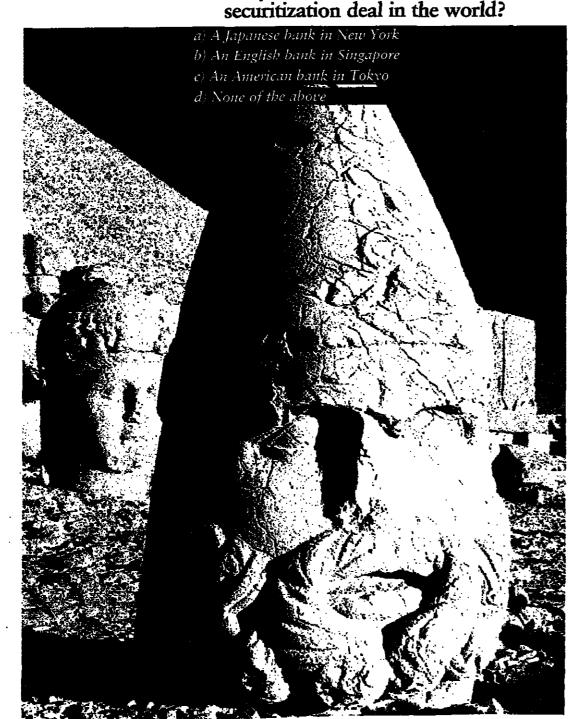
medium-sized companies stocks tightly held by founraise capital from private investors through a "matching service". In other areas, tough new liquidity rules for companies traded on the ASX are set to take effect from July. Under the rules, companies will be problem has been eliminated excluded from the benchmark All Ordinaries index of of the project," says Mr leading companies if their monthly liquidity falls below

market liquidity for six con-

ding families or institutions will be dropped from the index. Funds managers tied to index-weighted stocks will also be forced to sell out of such companies. However, the new rules will also open up new oppor-

tunities. "There will be forced sellers but, conversely, there will also be good opportunities for prithe exchange will run a full 12.5 per cent of total ASX vate managers and others who don't have to hug the systems with the date secutive months. Liquidity All Ords," says James Wagwound forward to 2000, from levels are calculated by gett, an advisor with BT Private Stockbroking in Sydume of shares traded by the ney.

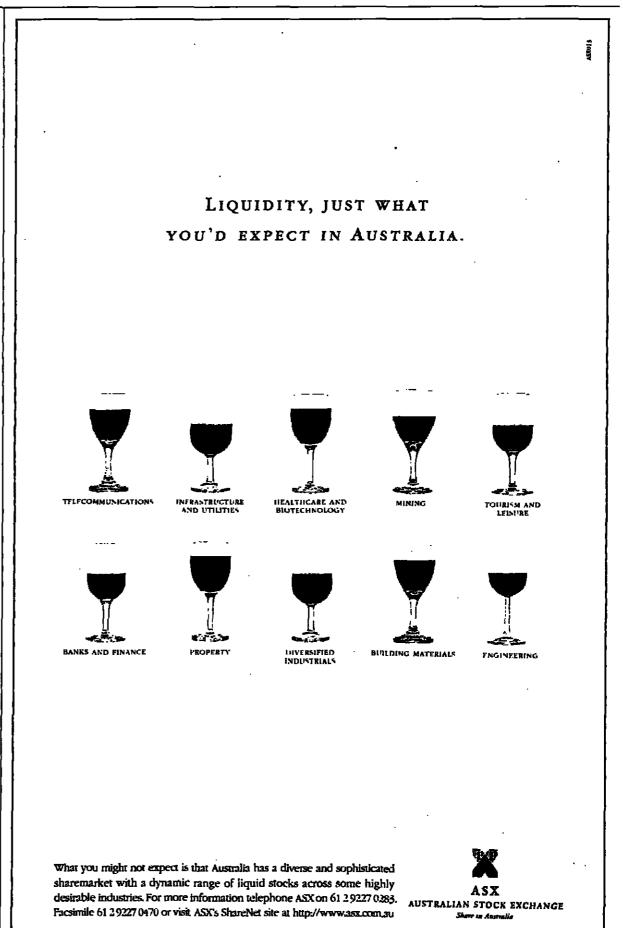
multi-currency check receivable



The right choice is "d"; which should read "a global bank in Turkey". The bank which issued the first 144A Eurobond, the first IFC B Type Securitized Loan application and the first US Commercial Paper from Turkey. Garanti Bank in short. Wouldn't you invest in a bank, where all the benchmark transactions come from?

se contact Mr. Ergun Özen, Executive Vice President cor paramet information process some legal service account which resident.

6) Birytikdere Caddesi. Mastak 80:70 Istanbul/Turkey Tel. Fax: (90-212) 285-40-40 Telex: 27635 gatetr http://www.gatantibank.com.c



**TECHNOLOGY** • by Geoff Naim

# IT is still changing the face of trading

Growing volumes is more change today then at in 1987; today, that volume is systems, Nasdaq would in volatile markets have demanded robust systems

unimaginable even a few years ago.

gy's role in the Black Monday stock markets crash.

period of rapid investment in cations. new technology at many of these changes seems undra-matic and Wall Street's 500point fall on Black Monday is just a blip on a trader's

"If anything I think there

the time of 'Big Bang'," says routinely handled. Jerry Norton, head of investaround a dozen exchanges. One way or another the changes to the market par- on the NYSE on October 28. computer has transformed ticipants. This time round while Nasday finished the the stock market in ways the changes affect the markets themselves."

The main focus of IT In an era of internet bro- investment has traditionally kerages and round-the-clock been on improving the electronic trading, this state-ment rings particularly true; The New York Stock cent of all equity transachowever, it was written in Exchange (NYSE), for exam-1987 in a US newspaper ple, has invested over \$1bn article pondering technolo- in its floor system in the past 10 years, moving from mechanical annunciator Plus ca change. The Lon- boards to flat panel displays, don Stock Exchange's 'Big from pneumatic message Bang' in 1986 started a tubes to wireless communi-

Much investment has also the world's exchanges. But, gone on behind the scenes with hindsight, the impact of into building robust computer systems to cope with rapidly growing trading vol-

> A (then) unprecedented 600m shares were traded on the NYSE on Black Monday

The computer systems of ment banking at UK-based the world's exchanges were consultancy Logica, which again put to the test last has developed IT systems for October. The Asian currency crisis caused a record-break-Big Bang was about ing 1.2bn shares to be traded day with almost 1.4bn shares

> Tandem Computers, whose "fault-tolerant" systems power these two exchanges and process around 90 per tions worldwide, boasted that its technology had once again smoothly handled the volume.

The success of Nasdaq is perhaps the clearest demonstration of how technology is today changing the nature of trading. Nasdaq was the first fully-automated electronic marketplace and today it links more than 6.700 marketmakers and trades around 6,400 stocks. On a busy day the systems process more than 2,000 transactions a second.

Without its

cheaply."

grind to a halt as the exchange has no physical trading floor and all trades occur online through realtime interaction between market makers.

Easdag is the European version of Nasdaq and was launched in 1996 to emulate Nasdaq's success in providing a "virtual" market for fast-growing technology companies. Easdaq is tiny in comparison to Nasdaq with just 25 companies listed and an average of 500 trades a

The systems behind Easdag were built on a shoestring budget of less than £500,000. To save costs, Easdaq chose to share the computers and trade-matching technology of the bond dealing system operated by the International Securities Market Association in London.

"In technology terms it is pretty old," admits Tony Preece, head of market operations, "But we needed system quickly and

The settlement services



The NYSE has spent more than \$15n over 10 years on improving systematically and the state of the system of the sys

cross-border settlement system operated by Swiss banks. Easdaq may be modest in size and ambition, but it is a good example of how technology is changing the

Using off-the-shelf technolfunctions to third parties,

traditional concept of stock

markets.

are provided by intersettle, a new "virtual" exchanges can be established quickly and

It went live last year to proterritory's offshore mutual ogy or by outsourcing IT funds and specialist debt

cheaply in any location. The Cayman Islands Stock Exchange is typical of the

new breed of small technology-driven virtual exchange. vide a listing facility for the

It uses a Bloomberg electronic trading platform with financial information published on the exchange's dedicated Bloomberg pages and its own web site. The exchange places great emphasis on the internet and listed companies can distribute their own marketing materials via the

exchange's web page. The internet is the great new opportunity to the world stock markets, but it is also a serious challenge, both to the established bierarchy of market players and traditional controls. Today internet users can point their browser at the web page of the American Stock Exchange and watch the trading action on the floor as it happens. More significantly, they can trawl the web for a wealth of information including real-time prices and, with an online brokerage account, trade an increasingly exotic range of

world. "The big change is how much information the public is getting from organisations such as Reuters that tradifinancial community with Gaynes, executive vice-presi-

dent of Reuters America. Because its ultimate poten tial is still unknown the internet's dangers are only beginning to surface. study conducted by the regul latory arm of Nasdag showed a close correlation between internet postings and changes in both trading volume and price, but Nasdag admits it cannot menitor every investment-related posting in the thousands of chat rooms, bulletin bourds

and newsgroups on the internet. A glimpse into the high tech future was provided last month at an online investing conference in San Francisco with a demonstration of the world's first wire less internet securities trading system, according to its devel-

oper w-Trade Technologies. The system provides a broker or its customers with a portable online trading environment that allows them to receive alerts about market instruments anywhere in the fluctuations, obtain real-time price quotes and execute trades by pressing a few buttons on a handheld wire less

"Whether on a golf course tionally only served the in a car or attending a iunch, w-Trade delivers tradvery specific financial infor- ing accessibility to your finmation that we today bring gertips," says Donna Oliva, to everybody," says David chief executive officer of w-Trade Technologies.

Financial Times Surveys

## Pension Fund Investment

Thursday May 14



### AT LAST, A BETTER WAY TO LOOK AT EUROPEAN INVESTMENTS

In the lead up to the Euro, asset managers and equity traders are accelerating their shift from a country-by-country approach to investments based on pan-European strategies.

The success of these strategies requires more accurate Europe-wide indexes, including those capable of measuring cross-border industry trends.

Now, the experience and expertise of the Deutsche Börse AG, SBF-Bourse de Paris, Swiss Exchange and Dow Jones are combined to offer a solution. Together, these four leading organizations have created a comprehensive family of pan-European

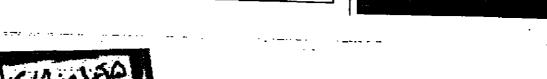
indexes for the twenty-first century.

The STOXX family includes two broad-based benchmarks, two blue chip indexes and 19 sector indexes covering all of Europe and the new Europe of the Euro. All indexes are calculated on both a price and total return basis.

For more information on this new generation of indexes, calculation methodology and licensing opportunities, simply contact STOXX LIMITED P.O. Box, Selnaustrasse 30, CH-8021 Zurich, Switzerland Phone +41 (1) 2292300, Fax +41 (1) 2292301, e-mail stoxx@stoxx.com, Internet www.stoxx.com



STOXX LIMITED A Joint Venture of Deutsche Börse AG, Dow Jones & Company, SBF-Bourse de Paris, Swiss Exchange.



For more information, please contact: Alan Cunningham Tel: +44 171 873 3206 Fax: +44 171 873 4296 or email: alan.cunningham@FT.com

> FINANCIAL TIMES No FT, no comment.

# INVESTING IN SOUTH AFRICA

Some economic indicators are improving, but foreign investors are still wary. Victor Mallet reports

## **Buoyant markets** belie challenges

The robust performance of South African markets in the midst of the Asian economic crisis has been a tribute to two of the government's biggest achievements - the maintenance of political stability following the

1994 election that brought the African National Congress to power, and the determination of ANC leaders to pursue conservative But these impressive soundeconomic policies that directly contradict the socialist ideals they nurtured in exile or in jail for as long as three decades.

In politics, the succession issue has been resolved. The ANC is expected to win the 1999 election, whereupon Thabo Mbeki, deputy president and leader of the ANC, will replace the 79-year-old Nelson Mandela as presi-

On the economic front, an increasingly confident Tre-vor Manuel, finance minister, has enforced fiscal discipline in the face of muted protests from the ANC's allies in the trade unions and the South African Communist Party. Economic R8.2hn a year earlier, but all growth remains low and of the increase was due to unemployment stubbornly high, but the budget deficit Telkom. has fallen, exports have risen and inflation has dropped to 5.6 per cent.

Thus it was that the rand held firm in 1997 despite the mayhem in the emerging markets of Asia. And South African bonds and equities have continued to benefit nationals reinvesting in from an inflow of foreign money looking for an emerging market home.

The rand has held up well, portfolio flows have held up well and confidence in South Africa has held up

well," says Carole Mason, group economist at Investec Bank in Johannesburg. "Our difficulty is in attracting foreign direct investment

Mr Manuel says there are about 955 international companies with stakes in 2,050 operations in South Africa, employing 380,000 people and controlling \$45bn in assets. ing numbers do not tell the whole story, because most of the companies and their investments have been in South Africa for many years.

The flow of foreign investment into new factories or businesses remains modest Africa's size. BusinessMap, a Johannesburg consultancy which monitors investment trends, says only about R4bn of the R30hn in FDI since 1994 has gone to new projects, with the rest accounted for mostly by expansion of existing operations or the purchase of privatised companies.

Overall, FDI rose 65 per cent in 1997 to R13.6bn from the partial privatisation of

Alec Erwin, minister of trade and industry, remains undaunted. First he has seen the return of US investors who pulled out as a result of the anti-apartheid disinvestment campaigns of the 1980s, then he has watched multitheir South African operations, buying South African food and textiles companies or taking a stake in car manufacturing plants. "So now what we are working on is the third

round of investment which would be new greenfield investment," he said in an interview. "Each step has been positive and gone well.

"We have had no delays and they seem to be rolling nicely one into the other. Greenfield projects at the best of times take two or three years to get off the ground." The biggest projects, such

danha Bay on the west coast, are being carried out by companies with strong South African roots, but Mr Erwin denied being disap pointed by the lack of foreign interest in South Afrifor a market of South can manufacturing. "We are very happy with the level of foreign investment," he said. Mr Erwin acknowledged that there were sectors, including some cheap clothing and shoe manufacturing, where South Africa could

> machinery and certain types of garment. The government doesn't support industries where we know we can't compete with south-east Asia. We help those industries to adjust,"

not compete against China,

Bangladesh or other Asian

rivals. But the country did

have advantages in heavy

"But in other manufacturing the opportunities are very considerable. In capital equipment, mining equipment and engineering equipment we are highly competitive. In electronic equipment we are beginning to recover and that is looking very promising.

"We have skilled workers and structurally lower wages than Europe, the US and Japan and lower than some







of the south-east Asian countries too."

Private sector business executives and economists are not as sanguine as Mr Erwin about the state of South African competitiveness. They see opportunities in the fast growing tourism and financial services industries and other service sectors and in the country's longstanding mining industry, but they are less confident about manufacturing.

Many factories were established for import substitution and protected by high tariff barriers, which are now coming down as South Africa reintegrates itself with the world economy. "We were an economy that could make things from ice-cream to atom bombs, but everything inefficiently," says Christoph Köpke, who heads Mercedes-Benz South Africa. "The South African

foundation of import replacement and despite their socialist background the ANC very quickly noticed that that was doomed to fail-

Realising the problem is one thing, but providing a remedy is another. Domestic and foreign investors are sceptical about the ANC's ability to restructure the country's industry in a way that will make it internationally competitive, especially when such restructuring is

likely to cause job losses. They are dismayed by the slow pace of privatisation, and by the government's reluctance to liberalise the highly regulated oil market.

Businesses have also been alarmed by the violent crime in South Africa, especially in the Johannesburg area, in recent years. Companies are forced to spend money on expensive security systems economy was built on the and find it difficult to per-

suade foreign staff to come and work in a country that has become a byword for car hijackings and armed rob-

Another disincentive for potential foreign investors is the belief that the huge, diversified conglomerates such as Anglo American that grew up under apartheid, when South Africa's international isolation made it hard for them to invest overseas, will protect their home market from intruders at all costs.

The conglomerates retort that such views are nonsense put about by foreign companies which have failed to make an impact in South Africa's competitive domestic markets.

But the perception remains, and the government is devising new competition legislation to ensure that big companies cannot abuse dominant positions in

particular markets. "To unlock the South African economy you certainly have to have a much more aggressive 'deconglomerisation'," discourage job creation. says consultant Moeletsi

"What scares capital away, frankly, is more our big corporations than the unions." It is South Africa's labour market, however, that is by far the biggest concern of existing and potential investors. Educational standards

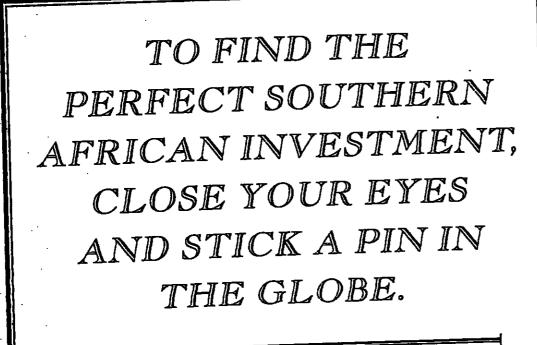
are low, partly because of the legacy of apartheid, and poor productivity cancels the advantage of relatively cheap labour. Labour relations have improved markedly since the

start of the decade. Mercedes-Benz lost an average of 50 days' production a year between 1986 and 1990 but hardly a day since then. But employers are bitterly opposing a series of actual and says Mr Daling, intended labour laws, includ-strongest law."

ing a bill to promote affirma-tive action based on race and gender, which they say is inappropriately rigid for a developing economy and will

Government ministers are unrepentant. "They look at me as if I'm this minister who is just bent on laws." says Tito Mboweni, labour minister. "Through this legal regime all we are trying to do is to correct the inefficiencies of apartheid."

Whatever they think of the latest labour legislation, few investors would argue with such an aim. But businessmen such as Marinus Daling, executive chairman of Sanlam, the mutual life assurer that is one of South Africa's biggest institutionals investors, want the ANC and its trade union alies to be constantly aware of international competition. "That,"



Not that we're suggesting a hit and miss approach to investing in emerging markets.

We're merely pointing out the obvious advantages of a South African company with a proven track record all around the globe. In South Africa,

I Barlows ranks as a blue chip performer, looking back on ninety five years of growth.

Vet at the same time, our L activities span several continents. From North America, through Europe, South East Asia, Japan, down into Australia and of course, across Africa.

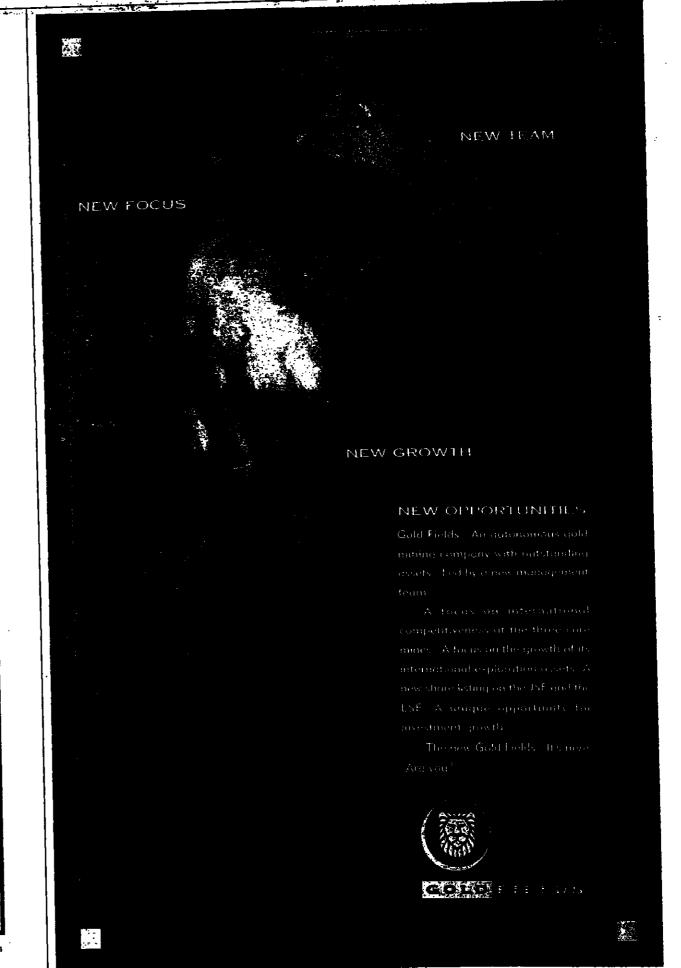
What's more, two of our eight divisions are head-quartered in the US and UK.

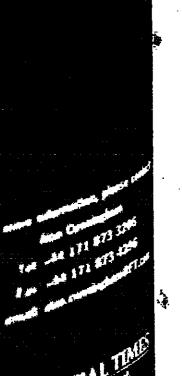
Presently, one third of our employees are based internationally, predominantly in North America and Europe. And the transfer of expertise beyond national borders and across cultural divides has never been easier. In fact, our international operations now account for one third of our total

Which means our investors enjoy the rewards of a young economy, balanced by the security of global growth. The best of both worlds.



If you would like to know more about Barlows and our plans for further growth, please contact us: 17 you would use the Fax: 27 11 444-8206 • P.O.Box 782248, Sandton 2146, South Africa. E-mail: harlowpr@iafrica.com





# Growth is the essential ingredient

The country aims to free its economy from the shackles of the apartheid years

The South African economy displays the tension between two familiar forces in an unusually acute form.

With black unemployment running at about 30 per cent, it is imperative that growth should rebound from its present miserable levels.

But, for a developing country in the wake of the Mexican and Asian crises, sound money is imperative as well. As Alan Greenspan of the US Federal Reserve recently remarked, another such upheaval will come along some day. South Africa suffered its own mini-crisis in 1996, with the currency dropping by 23 per cent. It can ill afford another.

By common consent the ANC leans towards the sound money camp. Under central bank governor Chris Stals, real interest rates are generally regarded as ferociously high although Mr Stals disputes this.

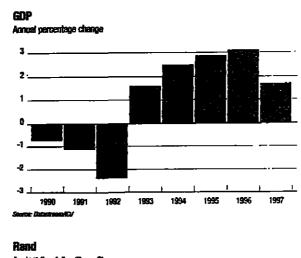
This is plainly a damper on growth. But after the misment under the rule of the Nationalist party, when real interest rates were persistently negative, the government stance has wide support in the business community.

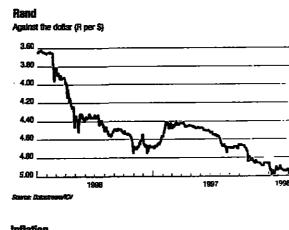
Carole Mason, group economist at Investec Bank, says: "The Reserve Bank doesn't have growth high on its pri-

"It is more a question of attracting foreign capital to finance imports. And, with South Africa's paltry savings ratio, it needs foreign exchange reserves.

The government's economic policy is laid down in a document known as Gear (growth, employment and redistribution). Drawn up in contains both growth targets and guidelines on monetary

The target for sustainable







of most South Africans is to ployment will grow." say, 'We'd love that but hell we're going to get it'." Mr Twine's own estimate 1990s. Given population

response to the rand crisis, it of potential growth in the growth of 2 per cent, that is medium term is between 4.5 and 5 per cent. "That's not at," he says. "But if we rates came down to 3-4 per stay there for a few years we cent" [they are at present growth is 6 per cent. Tony can start making inroads around twice that] growth Twine, of the independent into what is politely known should move to 4 per cent. a huge share of the world's economic consultants Econo- as the labour reserve. If we But, ideally, we need growth

metrix, says: "The reaction stay below 4 per cent unem-The actual growth rate, Ms we're not quite sure how the Mason observes, has aver-

aged 1.3 per cent in the fairly dismal. She says: "If [real] interest

need far more privatisation, no exchange controls and a reduced fiscal deficit." There is also an urgent

hangover from the siege conditions of apartheid, parts of employ in mining." the economy are still overregulated.

The oil industry is a prime indigenous producer, is the only oil company in the world still producing oil self-sufficiency, this is flows of hot money. plainly uneconomic.

But it is propped up by preferential treatment. Sasol has first right of supply to more than half the South African market at a guaranteed price.

Meanwhile, there are 5,000 service stations around the country, employing 50,000

This level of staffing partly relies on the fact that the regulations forbid motorists to serve themselves.

As Mr Twine observes: "Recause of the distortions of the laager years, you have a lot of people doing jobs they shouldn't be doing. But at least they are jobs, and it's a brave government which tries to change that."

If such impediments are removed, where is the growth to come from? One obvious source, given the vast reserves of labour, is services. particularly tourism. The chief obstacle to that is the crime

Here too, the government is in something of a box. Creating the forces to fight conventional crime takes money, but the government is committed to reducing the fiscal deficit. A second source is manu-

facturing. The South African economy, rather like that of Australia, has relied historically on its wealth of raw materials.

Exporting those, and importing finished goods, puts the country on the wrong end of the trade in added value.

"It is totally absurd," says Mr Twine, "that we produce precious metals and all the

of 5-6 per cent. For that you precious stones you can think of, yet we don't have a director of the insurance group Old Mutual, says "I jewellery manufacturing industry. Stale is managing this pro-

"India has 800,000 people need for deregulation. As a in that industry, which is three times the people we Meanwhile, what is hap-

pening to inward investment? Perhaps unsettlingly. example. Sasol, the chief portfolio inflows are on the increase while direct investment remains relatively meagre. The economy therefrom coal. As an attempt at fore seems vulnerable to out-

Mr Stals has robust views on this (see interview opposite). But there is one further problem, that of exchange controls and the reaction when they are finally lifted, probably over

the next comple of years.

In the first

quarter of this

year the financial

STOCK EXCHANGE • by Mark Ashurst ood news banishes gloom

index has surged to record highs and investment products through the retail banking

Johannesburg Exchange have waited a long time for some really network - an activity known good news. The tumbling gold price,

Asian flu, fears of another correction on Wall Street and sluggish domestic growth instilled a vague anxiety among traders last year. eclipsed by this year's explosion in the financial index, which has surged to more than 20 consecutive record highs in the first quarter.

Excitement triggered by the imminent demutualisation of Old Mutual and Sanlam, the country's two biggest equity investors which plan to convert to listed companies within 18 months, has been compounded by consolidation among their rivals. On March 10, Anglo American and Rand Merchant Bank announced they would merge their banking and insurance interests to create South Africa's largest

listed company. A day later Liberty Life. the third largest equity brewer, and about 4 per cent investor, said it was in talks of the total value of the with Standard Bank to create another financial services giant. In a sector sion fund income, which already buoyed by falling rose from 18 to 25 per cent in inflation and the prospect of this month's budget, and an a 2-3 percentage-point fall in opportunistic demutualisainterest rates by the year- tion levy of 2.5 per cent of end, "merger frenzy" was free reserves have not damp-

unleashed among investors. The financial index, which rose 36.1 per cent in 1997 to close the year at a record ble. Johannesburg tradition-10,163, has gained another ally tracks the Dow Jones, third in the three months to and analysts are nervous of March. Anglo American, De a further correction on Wall Beers and their financial subsidiaries, First National Bank and Southern Life, as diverse as vehicle manuhave been the star performers as the market rewarded news that operational control of the new entity would further weakness in bullion

There is much more to come. Amalgamated Banks of South Africa and Nedcor. which count Sanlam and Old Mutual respectively as their largest shareholders, are expected to follow the trend. The mergers will facilitate the distribution of insurance

Garth Griffin, managing

understand the way Chris

cess. But, for overseas inves-

tors, what is the real value

of the currency given the

pent-up demand among

South African investors? Is

there a potential wall of

As Mr Griffin also

remarks, such concerns mat-

ter more to portfolio inves-

tors than to companies. "The

guys buying businesses here

have more fundamental con-

cerns, such as the labour

laws and economic gover-

will grow at 5 per cent, or lurch between 0.5 and 3 per

money going out?"

nance," he says.

as "bancassurance". Their restructuring is on hold pending the demutualisations. The stock market listing of Old Mutual alone will create a company with a market capitalisation of

African Breweries, the

An increased tax on pen-

Despite the buoyant mood.

the market remains vulnera-

Street. In an economy where

business people in industries

facturing and computer soft-

ware can quote the daily

movements in the gold price.

Johannesburg exchange.

ened sentiment.

Stock market

Memories of 1996, when the rand lost 28 per cent of

remain vivid. But, while the

ment of the currency by the

R5.2bn in 1996.

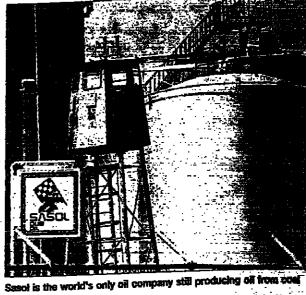
Reserve Bank

about R50bn, equal to South its value against the dollar.

world's fourth largest fall in dollar income from

less than 4 per cent of South Africa's gross domestic product, and accounts for just 3 Johannesburg bourse per cent of the Johannesburg bourse. But it remains the nation's biggest source

of foreign exchange. It says much for the new resilience of South Africa's economy that the currency and hence most non-gold equities - has been relatively unscathed by last year's 47 per cent plunge in the Johannesburg gold



think they will give a damn

about the currency. But if managing the South African economy is a hard "Is this an economy that slog, there is general agreement, in business circles at least, that policy is heading cent? If it's the latter, I don't in the right direction.

Ms Mason says: "For-a government which three years ago was talking about nationalisation, it is extractdinary that they should now be talking about a Masstricht-type reduction to a 2

Gold last year contributed reducing the bank's expesure in the forward market. The stability helped the

recover quickly from October's slump in Hong Kong when the drop in the Down Jones dragged the JSE to an eight-year low. The local market has since proved resilient to the 600nomic crisis in Asia and a. few analysts are optimistic

that the turmoil may pround investors to take a second look at Johannesburg. They claim South Africa is less vulnerable to weakness in other emerging markets. including the currency crisis in neighbouring Zimbabwe, than its Asian peers.

Johannesburg's banking sector is robust, the rand is not pegged to a fixed exchange rate mechanism. regional trade is less devel oped and total foreign debt

For all that, few local companies will escape the Asian meltdown. South African industry has scored significant improvements in productivity, prompted by the dismantling of tariff protection and the end of the bothouse economy fostered during isolation.

But many of the stronger local companies are expensed. to commodity prices - potagold has dented the balance bly iron, steel, non-ferrous of payments, it has not metals minerals paper and deterred foreigners. Net purindustrial chemicals - which chases of South African have been knocked by fallequities by foreigners ing demand in Asia Asian reached a new high of R26bn imports will also threaten last year compared with the fledgling electronic components industry and local

Economists predict the car manufacturers. rand will continue its grad-With annual gross domesual decline against the dollar tic product growth faltering from its present level of just at about 2 per cent, and under R5 to about R5.20 by inflation on course to hif 5 the year-end. This robust per cent by the year-end, the performance, which comera of annual earnings of 25 pares very favourably with per cent from blue-chip the outlook for other emergindustrial counters has ing market currencies, is due given way to a more sober largely to astute manage-

environment. Edward Osborn, economist at Edey Roger, a Johannes-Chris Stals, its staunchly burg stockbroker, predicts monetarist governor, has corporate earnings will drawn on foreign credit lines shrink to about 7-10 per cent be vested in the RMB stable. could also knock confidence. to resist speculators while in the long term.

### **New Management Reports** from Financial Times Media & Telecoms



#### Radio In The Middle East And Africa' E. Solomo



-44 (0)171 896 2072

An exclusive and comprehensive report on each country's regulations and future projects in light of the digital Published: March 98 £250/US\$425 Published this summer: 'Television Growth in the Middle East and North Africa' Provides updated information and analysis of key players, the latest news and developments in pay-TV, cable, satellite and terrestrial television in the Middle East and North Africa. 3 Please send me the report(s) together with an invokee (EU registered companies only)

#### **PROPERTY**

AFRICAN GAME RESERVE One of the last true wilderness areas: 11000 acres in Bolswara, at in a conservancy area of 300,000 acres, contains largest numbers of elephant on privately owned land anywhere in the world. Lion, leopard, cheetah and a wide vanety of game.

Puschase V<sub>150</sub> share in this private reserve. Thatched lodge, bushcamp, 1000 matre runway and hangar, game drive vehicles etc. The reserve is accessible and professionally managed for owners and guests. Price £175.000 Contact: Peter Fit Tet: +27 11 784 6956 (Johnny), Pex +27 11 784 6957

SHELLY BEACH, NATAL 2 Adjoining Plots - Single Storey Cottage, 6 beds, 5 baths, pool,
Other cottage has 3 beds, 1 bath.
Both have town planning for 3 storey block flats.
Garden runs into sea. Heavenly location, near stopping mall.

### PORT SHEPSTONE, NATAL

Price Guide £850k Tel: +44 171 834 4123

Magnificent Hotel Overlooking Sea.

Fantastic location. 25 Beds en suite. Dining Room, Cocktail Bar, Restaurant (Night Club). Swimming Pool. Guide Price: £850k o.n.o. Tel: +44 171 834 4123

FPD5avills

#### SOUTH AFRICA **CAPE WINELANDS**

Established, profitable wine and fruit tarm (13.5 ha) on THE FRANSCHAOEK WINE ROUTE.

Beautifully restored 1840 house, prize winning gardens, surrounded by mountains 6 fully let income producing cottages. Management and staff prepared to stay.

£1.7m (R8.8 million) Tel: 8027 21 762 5780 Fest: 0827 21 762 5788

FULLY ESTABLISHED OSTRICH FARM/ LUXURY RESIDENCE Sinusted 40km north west of Johannesburg. 35 South African Black Near breeding pairs on fully established 13 bectares. State of the art incubator house, chick rearing facility and offices. Staff accommodation and 2 bedroom cottage with private garden. Puddock and 4 stables with tack room. nce 4 cit soits Bedrooms, 2 Drawing Rooms, Dining Room and Study, 50m<sup>2</sup> Kieben, Scallery and Laundry, 3 Varantes, Saura, Swimming Pool and in Court. Beautiful doubtry home as in 3 hectares of reed pariellis gardens. Colour brochure available on reasons.

### KIBA HOLDINGS BITEBURTORAL PROPERTY & DIVESTMENTS



Creating Investment opportunities between South Africa & Europe

Our aim is to target areas of high investment potential in Real Estate & Property development throughout the Western Cape. We strive to optimise the benefits of exchange against European & US Currency

At present we are dealing with Commercial / Private property Undeveloped land / Plot & Plan Medium - large scale development opportunities

For more information please contact Wayne Tel: (UK) 0181 881 8630 / Fax: 0181 482 7057 Mobile: 0958 555 212 / Kmail: Weinman\_1@compuserve.com

#### South Africa/Sheffield Beach VILLA CASCADA

of a lifetime as this superb beachines with which commands uninterrupted and views to the north and court. Storied 50km north of Durbus them are shops and restourages close by and as 18 hole golf course is 5 kms away. menonistics country was an 10 now gen course in a land away.

menonistics countries 4 double bestimous with cr-tune technology which lead onto the

sun deck (TV in 3 bestrooms), a further double bestroom which states a bushroom

with a brack besided doublety, saving room and backets. On sac facilities include a plumgo pool and seems room, full sired months rable and hor.

On set facilities inchede a plango pool and steam room, tall street another came ann one.

This laterry house has 2 fast time stelf for all the housework, leavedry and meals.

Lime is changed weekly. Baby-stong can be arranged.

Visits to a private game form, deep sea fosking, trout fishing and Drakensberg can all be arranged. SIC or H/B available, Accommodation up to 14 people, From (140 per person/Week-H/B Please contact Pat on Tel: 81725 518361, Face 81725 518346

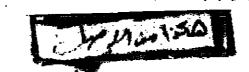
CAPE TOWN & SURROUNDS SURREQUINDS
We offer an preprinted portfolio of
beautiful and exclusive houses available for
sent. If you are looking for freedom, privacy
A counter in the Cape then we
can help. We have new and exercing houses
thost with pools available for Christmas
1998. We also arrange or then, amport
collection, golf interies etc. DIANA MOUNTFORD OPLACTER 144 1629 895389

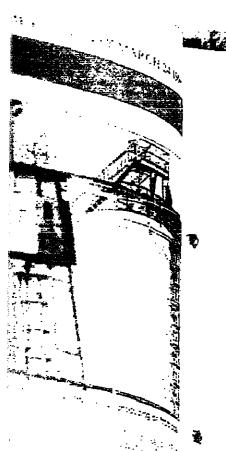
Henrik diamentarya demon, markatari da demonia demon

### ZIMBABWE -

VICTORIA FALLS ALE OR RENTAL (Long Lease Luxury single storey brick property. Elevated stre 3km from Victoria Falls. 1205s from UK 01492596314 of

Vic. Falls Tel/Fax +263-13-5982





hes gloom

INTERVIEW: CHRIS STALS • by Tony Jackson

# Sit back and let the markets work

happen in the labour mar-

prisingly, then, the bank has

preferred in the past to fall

back on controlling the

money supply. But as other

countries have found, that is

been increasing at 15 per

cent a year for three years

now and inflation has been

coming down", Mr Stals

says. "So the model is very unreliable at this stage."

eclectic approach, "We're

moving towards an inflation

target. We give our interpre-

tation: a rate of inflation

comparable with our trading

partners and major competi-

tors. That should by defini-

more stable."

tion keep the exchange rate

The average for those

He now favours a more

The money supply has

a dubious measure.

Plainly, this is dangerous

'Our monetary policy is the obvious one: an environment of financial stability'

When investors talk of the uncertainties facing the South African economy, two come high on the list: what policies will be pursued by the next president, Thabo Mbeki, and who will replace Chris Stals.

Mr Stals' present term as governor of the Reserve Bank ends in July next year. He makes it clear that he will call it a day.

"That will make it 10 years I have served as governor." he says. "Nothing has been decided, and there has been no discussion with government. But I'll be 64 then, and I'm certainly looking forward to becoming a pen- dented in South Africa's

Indeed, it has been a tough 10 years. In the first phase. he had to cope with the fis-Since the 1994 change of government the bank has torically." secured greater independence, and he has been more measurement. "Prime rate is free to pursue the policies he not a good starting point;

But those policies have not below that. Many people that has to be set by govern-value of the Rand. The past two years. It's difficult proved universally popular. would prefer the deposit ment policy. The central remaining question is its to say why, but it is perhaps rate, which is around 13.5 bank would then have to tell external value: in particular, linked to the domestic econand at a time of very high unemployment, he is seen by growth.

with a straight bat. "Our monetary policy is the obvious one: an environment of financial stability, which is conducive to economic yield on long bonds, "In growth in the medium to long term." His objective, in other

words, is intermediate. The final objective may be jobs and growth, but that is a matter for the government Critics also say that with interest rates around 13 per cent and inflation of perhaps 6 per cent, real interest rates are cripplingly high. Cer-

tainly, they appear unprece-

recent history. Nonsense, says Mr Stals. "Real interest rates in South Africa are about the middle cal eccentricities of the for 26 emerging markets in Nationalist government, the world today, I'm not even sure they're high his-

The question is one of

has been uncompromising; per cent. As for inflation, that is a matter of expectaand politically explosive tions over the next 12 months. We have reduced some as the enemy of that, but most people still expect 8-10 per cent, despite He meets the accusation the fact that it's 5.5 per cent territory politically. Unsurat present."

In other words, the real rate is perhaps 5 per cent. Alternatively, take the real most industrialised countries, that is 4-5 per cent. South Africa has a yield of 13.2 per cent and 8 per cent expected inflation. That's not much higher than the

The general expectation on inflation, he argues, is too high. Granted, the latest headline figure of 5.5 per cent is unrealistically low. The underlying figure he puts at 7.2 per cent.

"But I think there's good reason to hope the rate will remain lower permanently. This isn't the perception in South Africa. All wage rate negotiations still start from countries, he calculates, is the assumption of 10 per cent inflation."

below 5 per cent. "In industrial countries it's 3 per cent, In fact, South Africa has but that's too ambitious. So no official inflation target. we'll settle for a range of zero to 5 per cent." "We would like to have one. like other countries. But So much for the internal

the government what the fiswhether it is vulnerable to the catastrophic reversals cal policy should be to match that, and what should seen recently in Asia.

to emphasise, that is a secondary effect. The main thing is to curb inflation. The exchange rate is the result, not the objective.

What about the pattern of foreign inflows? Granted, he says, that has not been ideal recently. Portfolio investment has risen sharply, while direct investment which by its nature, is less volatile - has slowed down. In January and February,

Mr Stals calculates, almost RSbn (\$2bn) came into the South African bond and equity markets from overseas. That compares with R36bn in the whole of last year. That could be a sign of speculative pressure. "But it also increases liquidity and brings interest rates down. In the present depressed real economic environment in South Africa, we welcome

Foreign direct investment is increasing, and presently accounts for around 25 per cent of total capital inflows. "But there has been disap-

omy, where growth in fixed investment is down from 10 per cent in 1994 to 4-5 per

The final question relates to exchange controls, which are being reduced and are widely expected to end in the next couple of years. While giving nothing away, Mr Stals appears unworried.

"I begin to believe that we've solved that problem with our gradual relaxation over the past four years. Exchange controls are not very effective any more. For corporations, obtaining permission to invest outside South Africa has become very much a formality, and we find demand for outward investment has declined a

As for the hot money effect, this has not been a danger so far. "Portfolio investment is potentially very volatile, but that hasn't been in our experience. Even in the [1996] Rand crisis, we never had net selling by foreign portfolio investors. They have always been net buyers since the financial rand was abolished in

Why was this? "Especially



at the beginning, we were inflows and asked them that question. Their answer was that they had never had any South African investments in their portfolios. So if they position."

Over time, Mr Stals

emphasises, the plan is to very worried about big expose the economy to the discipline of the markets. "The more you open up and integrate with the rest of the world," he says, "the more the markets take care of built up an exposure of 1 per themselves. To accept that cent, that was a long-term strategy, we must have the themselves. To accept that courage to sit back and let

**BLACK EMPOWERMENT** • by Mark Ashurst

### New rush into business

Joint ventures between companies are helping to redress the balance of power

listed on the Johannesburg Stock Exchange, barely a price. week goes by now without new "empowerment deals" making the headlines.

Most involve joint ventures between white-owned companies and unlisted black entrepreneurs and defeat." trade unions.

the proportion of Hs panies part-owned by blacks to almost 5 per cent of the market capitalisation of the Stock businesses is as short as it is itive tender.

ments have reported earnings growth of more than 400 per cent over the past two ears. Both are fast-growing industrial conglomerates no deal has been more built around niche life assurers serving the low income

consumer market. A third and once promising new conglomerate is missing from this league of Data, the information tech-"black chips" - Saflife. The black-controlled financial led by Real Africa will take services group last year up 51 per cent of PQ Africa became the biggest share in May at a discount of holder in JCI, the mining house sold by Anglo American in November 1996 to promote black economic

But the collapse of the gold price and disputes between its new owners have wrecked the project. acquire several of the com-The century-old mining pany's start-up operations, house will be liquidated next

Stephen Koseff, chief executive of Investec, the invest-ment bank which helped to company, PQ International create Saflife and backed its acquisition of JCL says JCPs demise spoiled a still bolder

"We wanted to create a major, diversified, black-controlled holding company with interests in the financial sector and mining. An industrial arm would have come next," he says.

Despite the heavy losses incurred by both white insti- months following the deal. tutions and predominantly black pension funds a significant new mining group has been salvaged from the debris of JCL

The new venture, to be acquire Western Areas, the group's best gold mine, and a portfolio of minor gold interests from the moribund JCI. These will be pooled to create a new gold-focused company with a net asset owed by the sheer scale of value of about R2.3bn, or R15 a share. JCI Gold will be controlled jointly by the African Mining Group, a broad-based black consor- investors, plan to convert to tium, and the Kebble family, which funded the ill-fated acquisition of JCI for R54.50 a share by Mzi Khumalo, its

Most of AMG's members arranged by white instituwere party to Mr Khumalo's tions.

original bid in November 1996 but were subsequently marginalised when the tumbling gold price scuppered efforts to finance the deal.

Mr Khumalo resigned from JCI in January after a row over corporate governance. Almost four years after In his absence other AMG South Africa's first black members will acquire a controlled companies were stake in JCI Gold, the new venture, at a much lower

"We bought (JCI) at the top of the market, now we are buying (JCI Gold) at the bottom," says Brett Kebble, chairman of JCI's gold division. "We have snatched vicinvestment trusts owned by tory from the jaws of

Of the many lessons learnt The deals have increased from JCI's metamorphosis, has been a reappraisal of transaction. Sixteen months ago Mr Khumalo's bid for Exchange. But among listed JCI was widely feted because companies the number of he paid a premium to JCFs significant black-controlled market value after a compet-

In future the "commercial" Of these, Real Africa Hold- merits of black empowerings and New Africa Invest- ment deals will be judged more on their potential to enhance future performance than on the price tag.

Judged by that criterion, sophisticated than the acquisition by a black consortium of a controlling stake in PQ Africa, the South African subsidiary of Persetel Q nology group. A consortium about 27 per cent to the market value.

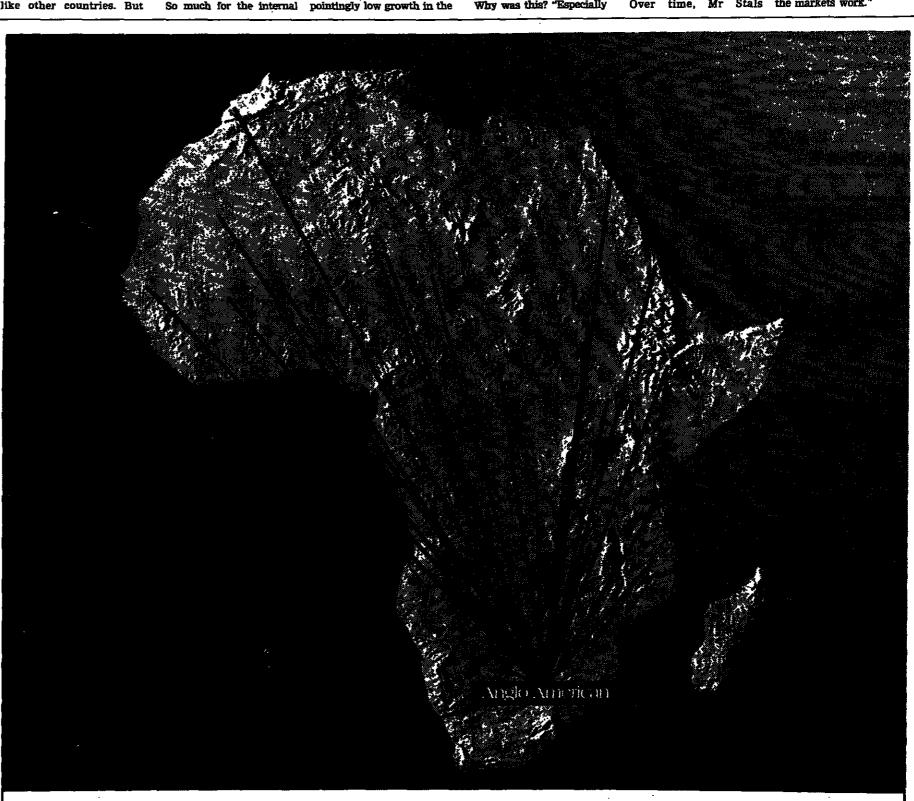
The payment will be staggered in three tranches, with further discounts if the company fails to achieve its profit forecasts. The buyers also have a first right to once they break into profit, and to exchange their shares in 2002 for a stake in the

No other black empowerment deal has been as carefully tailored to reduce risk to the black partner. The terms appear justified by the volume of new business available from corporate and parastatal clients under pressure to support blackowned companies. That trend has already boosted turnover at PQ Africa in the

Don Ncube, Real Africa chairman, says the deal reflects enlightened self-interest on the part of PQ's white owners. "If you want to control all, you run the known as JCI Gold, will risk of losing all. The discount will come back to them in the form of a bigger business," he says.

But, if PQ is the most sophisticated of the recent deals, it has been overshadrecent announcements by Sanlam and Old Mutual. Both life assurers, which are South Africa's biggest equity public companies within

about 18 months. The move will create more black shareholders than any of the asset transfers yet



### IF YOU WANT TO DO BUSINESS IN AFRICA, YOU'LL NEED THE RIGHT CONNECTIONS

Some people think it takes courage to invest in Africa. We say it takes confidence and local knowledge that's second to none. Which is why, when it comes to helping international businesses establish a bridgehead, Anglo American is in a class of its own.

The Anglo American family of companies started many of the now established industries in Africa. Today, with names such as Daewoo, Mitsubishi and Ford currently involved in joint manufacturing and marketing projects, the Anglo American group is helping to transform sub-Saharan Africa into one of the world's most fertile investment regions.

From our core businesses in mining, minerals and metals, we've moved into steel and engineering, pulp and paper, chemicals and construction,

electronics and property, farming and financial services. A carefully diversified portfolio and one which, in the last ten years, has outperformed all major world indices.

Anglo American has long been a world class group with extensive international investments. However, our commitment to Africa remains absolute. Anglo American and its associated companies provide employment for more than 400,000 people in the sub-continent alone. With this unique wealth of experience, it's hardly surprising that when businesses need an introduction, their first call is Anglo American.

Anglo American Corporation

For more information on Anglo American Corporation contact our London office, 19 Charterhouse Street, London EC1N 6QP. Telephone (44)171 430 3562 or Facsimile (44)171 430 3560.

THE CUTTING EDGE OF THE NEW SOUTH AFRICA

#### **CORPORATE GOVERNANCE** • by Tony Jackson

# Exit now from the time warp

Companies need to sharpen up and extend their core businesses abroad

From the standpoint of New York or London much of corporate South Africa seems stuck in a time warp. Vast, tangled conglomerates. apathetic shareholders, non-voting shares, pyramid holding companies - it all smacks more of the 1970s than the millennium.

Much of this can be traced directly to apartheid, and to exchange controls in particular. As South African business people frequently point out, the conditions of the 1970s and 1980s left them with South Africa's financial services little choice in managing their

First, a combination of high inflation and high tax on interest payments meant the only sensible way to invest surplus cash was in equities or corporate assets. At the same time exchange controls meant those assets had to be South

Thus the big life companies such

custodians of the nation's savings, release value by doing so? building up huge holdings - typically, 15-20 per cent - in the nation's quoted companies.

Meanwhile, those companies bought up all the corporate assets which came on the market, including those dumped by foreign companies quitting the country.

The result is some very odd corporate structures. South African Breweries, for instance, is the world's fourth largest brewer with strong positions in international markets. At home it also makes plate glass, matches, shoes and razors and runs retail and botel empires.

To be fair, there are exceptions. are broadly world class, as is the mining industry. For the rest, the message is clear. South African companies need to extend their core businesses abroad while shedding peripheral assets at home.

From the point of view of foreign investors this raises two questions. How far have South African companies accepted the need to unbundle? And how far will the institu-

In public, at least, some of the biggest companies are ambivalent. Michael Spicer, a director of Anglo American Corporation, queries the idea that focus is everything.

We have always resisted the notion that one size fits all", he says, "There is only one orthodoxy in the City [of London] or Manhattan, but there are always interesting exceptions whether it is General Electric or the Wallenberg

The latter instance is perhaps unfortunate since the Swedish model, like the South African, is under pressure to reform. But, as Mr Spicer makes clear, Anglo is not opposed to change.

Mervyn King. South Africa's leading authority on corporate governance and author of the 1995 King Report, the equivalent of the Cadbury Report in Britain, points out that there has been quite a lot of unbundling already - the break-up of the Malbak industrial group a year ago or the mining group Gencor's spin-off of Billiton. Mr King now works at First

National Bank. Its ultimate con-

troller, he points out, is Anglo, in which it has board representa-"But I think you'll find unbundling there, too, in the future."

The pressure, he argues, is not only commercial. The government also sees the conglomerates as concentrations of power and is looking at bringing in new competition laws. "So there could be investment opportunities here that you will find nowhere else in the

What about the other side of the coin, the institutions? Tom Boardman, chief executive of BOE Investment Bank, says: "There is no question that South African shareholders, including the institutions, are a fairly apathetic group.

On the other hand, he concedes, there are signs of change. Fund managers, he says, are starting to pop up at AGMs and ask questions. Garth Griffin, managing director of Old Mutual, displays some of the same ambivalence as Anglo. On the one hand, he says. Old Mutual has traditionally operated as a portfolio investor ture and simple.

Though the list of companies in which it holds 15-20 per cent runs to a page and a half of print, those

tion are in single figures. But Mr Griffin accepts that companies must create value. As he points out. Old Mutual itself plans to demutualise. "As we go through that process, the one thing we know is that management is focused on shareholder value."

There remains one thorny question, that of pyramid structures and non-voting shares. As Mr Boardman points out "There are a lot of family-controlled companies in South Africa, and their first tactic to raise money was pyramiding. That is how we built up BOE."

On the other hand, he and Mr Griffin both argue that the issue is best left to the market. "If the market no longer wants non-voting equity and pyramids", he says, "it will start discounting the shares." There is one final catch. The gov-

ernment is keen to promote black "And how do you put black

people in charge without capital?" Mr Boardman asks. "The answer is, by pyramiding and non-voting shares. That is the government's

TRADE AND INVESTMENT • by Victor Mallet

### An African renaissance

The lifting of the sanctions regime has opened up new opportunities for businesses

South Africa, the continent's most powerful economy, was operations across southern north of the Limpopo river during the years of apartheid and economic sanc- while others are selling

South African consumer goods dribbled through to nia, Uganda and beyond. countries such as Zimbabwe ther north, and companies kept a low profile.

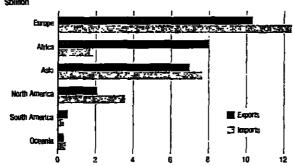
All that has changed since the election of the African National Congress-led gov- desperately poor after three ernment in 1994 and the lift- decades during which it fell

ing of sanctions. Trade and investment in Africa by South African companies, and by foreign companies based in South Africa, have grown rapidly.

Multinationals such as British Petroleum and Shell can now co-ordinate their have invested in mining, brewing and supermarkets trucks, cars, machinery and consumer goods into Tanza-

The economic foundations and Zambia, but rarely fur- for this rapid growth of trade lie in what is seen as the beginnings of an "African renaissance" Most of Africa remains

South Africa's world trade 1996



largely deprived of its natu- and eastern Africa. Big far behind Asia and Latin ral commercial hinterland South African companies America But several economies, notably Uganda, have started to expand rapidly in the 1990s.

> South Africa is an obvious base for companies that want to take advantage of such a renaissance. Its transport and telecommunications infrastructure is unrivalled on the continent, it produces more electricity than the rest of Africa put together and it has a third of Africa's telephone lines.

Monthly news and analysis of oil, gas, power, policy and finance

Accurate, reliable and up-to-date information on the emerging energy

markets in Africa has been bard to come by - until now.

African Energy, a new monthly newsletter from FT Energy. African Energy will provide news, comment and analysis

To reserve your free copy of the launch issue and receive a special discount on your first year's ubscription, please fax the form below to +44 (0)171 896 2275, or call us on +44 (0)171 896 2241

gele Housse, 149 Totlenbaru Ceunt Read, London, W17 9LL Tel: +44 (8)171 896 2241 Fax: +44 (0)171 896 2275 E-mail: emb

will be the only publication to cover every aspect of this

continent's energy industries. Drawing on a network of

international correspondents and exclusive sources,

**African Evergy - Free Launch Issue April 1998** 

Please send me a free copy of the faunch issue and details of the special discount.

But there are problems. Other African countries run ing with his company's Afribig trade deficits with South can investments. "Markets Africa and resent its disproportionate economic clout.

South African government ministers have become acutely aware of the sensitivities of their neighbours and negotiations are under way to create a free trade area in the 14-member Southern African Development Community.

Business executives also have to tread carefully. "We

FREE

Launch **Issue** 

not available elsewhere. As this region develops,

opportunities will be plentiful for those with the

information to exploit them,

the rest of Africa there is a concern that you have a big brother down here," says John Drake, who is chair-man and chief executive of investments. Shell South Africa and over-

sees regional operations. Other obstacles to doing business in Africa are more familiar. Bureaucracy, corruption and economic mismanagement are still rife. although investors say economic liberalisation has eased the difficulties in several of South Africa's trading partners.

We are cautious," says one local businessman dealare small and currency depreciation is something that scares the living hell out of us."

Another concern is the amount of management time spent on negotiating deals that are still small by global standards. "Companies do find it difficult to deal with Africa," says Jenny Cargill of BusinessMap, a Johannesburg consultancy.

'At this stage it is a strategic decision by companies rather than a short-term profit decision.

South Africa-based companies are nevertheless eagerly for expansion. A consortium led by Anglovaal is negotiating to buy some of Zambia's copper mines, one of numerous mining deals involving South Africa's minerals groups, South African Breweries has been buying operations across the conti-

Banks and financial services groups have also been active throughout southern

Mercedes-Benz of South Africa has been exporting trucks and cars to various African markets and is considering the development of a simple, durable "African truck" which could be overloaded by 50 per cent - a recognition of reality rather than a marketing ploy - and still survive the continent's rough roads.

Toyota South Africa is exporting left-hand drive vehicles to west Africa as the rest of the continent," he well as right-hand drive ones to markets in the south and

In retailing, the Shoprite Checkers group now has 20

gins cut sharply by foreign supermarkets as prices fall, and there has been much debate about the merits of using scarce foreign exchange to import consumer goods.

African retailer, has operations in Zimbabwe, Botswana, Namibia and Swaziland and is planning to open stores in Mozambique. Gareth Ackerman, managing director, group enterprises. believes it is important to rather than impose "a sort of neo-colonialism" by trying to create new and expensive infrastructure that developing economies cannot

send the surplus to the

Fred Phaswana, Cape Town-based chairman of BP Southern Africa, relishes the chance to co-ordinate investment and marketing plans for the whole region, something that was all but impossible in the days of sanc-

"It's very exciting for us to Mr Phaswana also notes that demand for liquid fuels in Africa is growing at five to six per cent a year, about three times as fast as in mature markets.

says. "It is probably the most exciting thing to me of what is happening post-

are very conscious that in African stores outside South Africa, including a chain in Zambia bought from the state in a privatisation deal. and is looking at further

always easy. Local shopkeep-

Such projects are not

upgrade existing facilities

For oil companies such as BP and Shell there is no doubt about the benefits of investment banking inter-South Africa's reintegration into the rest of the contihungry South African mar-

diesel-consuming nations further north.

Mr Drake of Shell is equally enthusiastic. A closed South African market of 40m people has opened out to become part of a region with 200 to 250m inĥabitants.

"We are now connected to apartheid. The barriers are

ers resent seeing profit mar-

Pick 'n Pay, another South

course

ests of both groups.

nent. Their joint venture South Africa's largest listed refinery in Durban produces company with assets of where foreigners are roumore diesel than the petrol- about R250bn and a market tinely undercut by their capitalisation of R60bn. day after the Anglo-RMB deal was announced on advisory services are more

holding company.

While negotiations proceed, Liberty International. the group's British property and financial services subsidiary, has set its sights on a place in the FTSE 100. In January the London-listed company hired Jim Sutcliffe, former head of Prudential, to lead its search for an acquisition of up to £2.5bn.

"We are looking for a life company," says Donald Gordon, Liberty's 67-year-old chairman. "The medium-sized ones are by and large very overvalued. In general, the bigger they get the cheaper they are."

FINANCIAL SERVICES • by Mark Ashurst

## Echoes of an explosion

The shake-up of institutions is producing spectacular combinations

Long viewed as one of South Africa's few internationally competitive industries, the financial services sector has withstood the influx of foreign competitors since 1994 more or less unscathed.

The frenetic activity that has exploded in the sector this year has been triggered not by more aggressive newcomers but by a radical restructuring of local institu-

Old Mutual and Sanlam. the two biggest equity investors, signalled last year they were considering plans to demutualise and convert to companies listed on the Johannesburg Stock Exchange. The move, which has since been confirmed by both institutions, will add more than 5 per cent to the JSE's total capitalisation.

But that may be the least of its effects. Wary of the impact of the demutualisations, which are part of a broader strategy to transform from life assurers to diversified financial services groups, their listed rivals have charted a similar

The first of these plans reached fruition this month when a spate of corporate restructuring spurred the financial index of the JSE to a series of record highs.

The most spectacular is the merger of the banking and insurance interests of Anglo American, the resources-based conglomerate which dominates the local economy, and Rand Merchant Bank, an entrepreneurial niche player.

The combination merge Anglo's Southern Life with RMB's Momentum, separate the retail operations of First National Bank to form a new wholly owned subsidiary and combine the asset management, corporate and

The new formation will be

March 10. Liberty Life, the third largest equity investor, said it was in talks to combine its interests with Standard Bank under a single

The move could unwind the cross-shareholdings between Liberty and Stanbic, the Standard parent in which Liberty holds 44 per cent, to create a new finanwork across Africa," he says. cial services giant with assets of about R300bn.

mere fact of a hostile bid - a rarity in corporate South Africa - is a token of pro-

Analysts expect Amalgamated Banks of South Africa and Nedcor, which with FNB and Standard dominate the retail sector, to be swept up in the same wave of consolidation. Both await the stock market listing of their largest shareholders, Sanlam and Old Mutual respectively. before a new corporate struc-

ture can be finalised. Although the details vary. a common theme in all these transactions is a move by life assurers to sell insurance products through the distribution networks of retail banks.

Helped by a generous tax regime, a flimsy state welfare system and the double-digit corporate earnings generated by South Africa's hothouse economy during isolation, life assurers have long dominated the financial sector.

The imposition in this month's budget of higher taxes on pension funds, and an opportunistic one off demutualisation levy of 2.5 per cent of the mutuals' free reserves, may have dulled the glint in policyholders' eyes. But it hardly detracts from the importance of the restructuring.

The insurers' increasingly sophisticated products will give a new lease of life to retail banks burdened by the high costs of extensive brick. mortar and communications networks, which absorb on average 65 cents in every

rand of income. "Banks and insurers are competing with each other right across the investment spectrum," says Stephen Koseff, chief executive at Investec. an investment bank. In future, at least within the new financial services giants, some will also

be collaborating. The outlook for smaller institutions is uncertain. At least 75 foreign banks have opened offices in Johannesburg during the past four years but none have tested the retail banking sector. nor threatened the dominant position of the "Big Four" commercial banks.

Increasingly they have bowed out of the market for low margin corporate work. local peers. More specialised treasury, cross-border and promising sectors where South African companies will pay a premium for access to a global network.

Greater discrimination will also be the distinguishing characteristic of successful small operators in the insurance sector. While the consolidation among top flight banks and insurers will enhance their exposure in all sectors of the insurance market, their smaller rivals are hatching new schemes to retain their existing client base.

The most compelling evidence for this trend came last month in the form of a hostile bid by African Life. an entry level life assurer serving a predominantly black market, for Norwich Life, a mid-market operator with a strong, property and asset management port-

Though unsuccessful, the

found change.

## FLEMING MARTIN

### International stockbroker in southern African securities

Rated the top research house on South Africa in Institutional Investor's All Europe Research Survey in 1996 and 1997.

Rated No 1 in SA research for 18 years in an annual survey of institutions by the Financial Mail, South Africa's leading financial weekly.

Associated offices in Botswana, Ghana, Mauritius, Zimbabwe and Namibia.

**NEW YORK** Airic Wiggill Fleming Martin Inc Member of NASD and SIPC +1 (212) 508 3800

LONDON Eric von Glehn Fleming Martin Ltd Regulated by The Securities and Futures Authority +44 (171) 382 8810

For professional investors only

**JOHANNESBURG** Tribie Ingram Fleming Martin Securities Ltd Member of the JSE +27 (11) 240 2400

Delloo Kalur

New dawn for the golden age

A wave of consolidation in the industry has followed the fall in the gold price

The tumbling gold price, a new spirit of co-operation among beleaguered mine owners and the demise of the traditional South African mining house have radically changed the profile of the country's gold industry.

JCI, the first black-controlled mining group and the world's sixth biggest gold producer, will be liquidated next month by institutional investors who have watched its share price fall almost R50 in 1996 to a low of almost R15 last year.

its best gold asset, Western Areas, will form the hub of a new, focused producer, JCI Gold, which will acquire the gold interests of the century-old mining group later

Gencor, which was the country's second largest mining group until it companies, whose assets demerged its base metals have traditionally been operations to form Londonlisted Billiton last June, has been transformed into an investment holding company with fewer than 10 staff. Its gold assets were pooled last ties and pooling exploration year with Gold Fields of projects with mineral rights South Africa to form a new and interests abroad, the giant, Gold Fields, which new formations aim to

this year.

This wave of consolidation has not been ignored by Angle American, the world's biggest gold producer. It plans to merge its diverse gold interests into a new, focused gold company, Anglogold. This is due to list in Johannesburg by June.

In a significant move for the mighty conglomerate, Anglogold will be a quasi-independent company in which Anglo American will hold a 40 per cent stake. It will also acquire JCI's HJ Joel mine, which Anglo American bought back from the wreckage of JCI barely a year after it disposed of its controlling stake in JCI to promote black economic empowerment

To these local assets, Anglogold intends to add the international gold interests of Minorco, Anglo American's Luxembourg-based associate.

The new structures are designed to rescue the ratings of South African gold undervalued in comparison with their international peers. By merging individual mines into a single listed company, buying out minorilisted on the Johannesburg spread risk and increase

bankable reserves

The acid test will be their appeal to foreign fund managers, whose appetite for South African gold stocks has traditionally been subdued by the complex corporate structure of the country's mining finance houses.

With the gold price close to an 18-year low, much more needs to be done. Rising costs at ageing, deep level mines, poor productivity in comparison with their international rivals, and the prospect of radical surgery ahead are a powerful deterrent to investors.

The problems are not new. but they are now so acute the industry's long-standing lack of competitiveness can no longer be ignored. Since 1988 the cent. Its working profit per kg was R6,280.

Over the same period the total workforce has shrunk from 515,000 to about 298,000. Gold output fell to 493 tonnes last year, its lowest level in more than four

Both Gold Fields and Anglogold are committed to bringing production costs below \$250 per ounce, a target which makes tens of thousands of job losses inevitable. "We are in a position where we have to cut some jobs to save other jobs," says Bobby Godsell, Anglogold chief executive.

A recent "crisis summit" organised by the National Union of Mineworkers averted the threat of immediate strike action in favour industry's average working of an agreement to set up a margin has fallen by 84 per non-statutory committee to for disposal.

Employment Act, for example, reduces working hours in the mining sector from 48 to 45 hours, increases rates of overtime pay and limits Sunday working. Although an exception is inevitable in the case of marginal mines. managers no longer enjoy the authority of a more prosperous era. "I feel like someone walk-

monitor redundancies. The

union also backed down on

its highly publicised demand

for a moratorium on further

job cuts. But, despite this

fragile consensus, shedding

The Basic Conditions of

jobs has become an expen-

ing through a river with a haversack full of bricks and there are more guys trying to put bricks in it," says Richard Robinson, Gold Rields chief executive Even if the present round

of reforms can resuscitate investors' confidence, more corporate restructuring is in pipeline. As the new gold giants

seek structures which spread risk, they will inadvertently create a new market for marginal producers highly geared to the gold

A further round of mergers and acqusitions is likely among the most vulnerable operations. For example, all but three of Gold Fields' mines have been earmarked

not compelled to fire exist-

frustrate efforts to achieve

these targets. Employers are This last category of incening staff to make room for The unavailability of by labour.

skills, a shrinking labour force or lower-then-expected labour turnover will also count as valid excuses. But, after five years, companies depreciation, which gives

Accent is falling on range of incentives

While still wary of Top ten FDI countries extensive tax

INVESTMENT • by Victor Mallet

breaks, the government's view has changed

When the African National Congress first came to power in 1994 its policymakers reckoned there was little need for special incentives such as tax holidays or export processing zones to encourage investment in their newborn democracy. Sound macroeconomic policies, they decided, would be

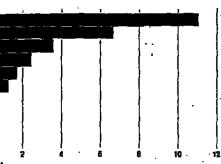
In the past two years that view has changed. The government does not favour foreign investors over domestic ones and remains wary of expensive tax breaks, but it has devised a range of incentives. It has also adopted strategies to target investments in compact Industrial Development Zones (IDZs) and in much bigger geographical areas known as Spatial Development Initia-

tives (SDIs). We have now largely completed what we think is a reasonable package of incentives," says Alec Erwin, minister of trade and industry. "The main strategy we take is to give priority to the stability of the overall macroenvironment and consistency of policy.

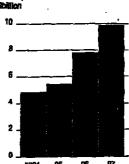
Then we focus mainly on what we call the supply-side package - research and development, innovation and the trade-related human resource programme, which is high-level research and training of postgraduates. These are matching grant schemes. Then the other major thrust is incentives for small and medium com-

tives includes tax holidays with three tranches of benefits based on location, industrial sector and value added

hoped." "Many investments are capable of drawing down all three of those tranches, plus the allowance for accelerated



Foreign direct investmen



you a 10-year tax holiday,"

says Mr Erwin. Mr Erwin and his colleagues, however, are finding it difficult to convince the private sector of the value of such incentives. "Special schemes, and even dedicated investment corporations like the Industrial Development Corporation are really all makeshift strategies to compensate for underlying problems in attracting investment on the basis of normal capital market forces," wrote Prof Lawrence Schlemmer, a consultant, in a recent report for the South African Chamber of Business. "Our investment incentives are not proving to be as successful

Professor Schlemmer and other critics say South Africa's incentives compare poorly with those of its competitors, including the emerging economies of east- jects.

as their designers had

ern Europe. They also suggest the government could do much more to promote investment in tourism, a service industry which could create 800,000 badly needed jobs within a few years.

Not everyone supports gestion that private sector companies are appointed as agents to manage the SDIs and other investment schemes, but most agree that the strained relations between government and business over the direction of industrial policy need to be improved.

"There is no strategic dialogue between the captains of industry and the leaders of government," says Jenny Cargill, of the consultancy BusinessMap.

The government, meanwhile, is pushing ahead with its plans to promote development corridors or SDIs throughout southern Africa, an idea not dissimilar to the cross-border "growth triangles" or "growth areas" of south-east Asia.

Of the dozen that have been mooted, the most advanced project concerns the transport corridor between Gauteng, the province around Johannesburg, and Maputo in Mozambique.

The Department of Trade and Industry, which co-ordinates management of the SDIs to deal with any problems and out together investment projects, hopes it can help create 68,000 jobs in four years in nearly 400 pro-

**INDUSTRIAL RELATIONS** • by Mark Ashurst

## Changes on the shop floors

A welter of legislation has defined a new constitution for the workplace

Few places in South Africa have felt the impact of majority rule more keenly than the shop floors of its Since the African National

Congress assumed power in 1994 its allies in the trade union movement have probably benefited more than any other group.

< 2.0

beginning with the Labour Relations Act of 1996, has to win investors' confidence. The dismantling of apart-

heid legislation has brought immediate benefits by removing many arcane labour practices. Industrial unrest has declined and productivity is rising faster than other indicators. Stoppages due to strikes have fallen from 3.1m working days in 1992 to 650,000 last year, the lowest since 1987. The progress has been largely discounted in the capital markets for three

distorted the labour market. Second, they are firmly based on the co-operation of

trade unions, whose influence has been enshrined in statute. Third, there are more battles ahead as the government prepares to implement its most controversial labour legislation vet. an Employment Equity Bill. The increased influence of

can Trade Unions, the largest labour federation, has A welter of legislation, not resulted in higher wage settlements. Average wage increases for the workplace. It has yet are forecast to continue this year at the 1997 level of 9-10 per cent while inflation falls

> lower than in those which fall outside the new negotiating framework. Stripped of its political to please investors. role, organised labour is learning a new pragmatism. Rising competition in most reduction in jobs as companies adjust to a less pro-

ments come off a very low avert industrial action. base and are based on com-This trend has been a fatalism among policyencouraged by new statutory parisons with an era when political protests routinely structures, which require industry-wide collective bargaining to be mandatory in

New mechanisms for conciliation and arbitration have reduced the proportion of strikes triggered by nonwage related issues. Pay disputes triggered 71 per cent of strikes last year compared with 57.4 per cent in 1996. Settlements have also been the Congress of South Afrihandled more swiftly as centralised bargaining chambers have removed many of the most contentious issues

from the factory floor. Despite this record, the defined a new constitution have outpaced inflation and relatively sophisticated ing and introduce statutory structures inherent in the widely criticised by business towards 5 per cent. But set- as ill-suited to a developing tlements in unionised seccountry. Correcting the tors have been consistently worst inefficiencies of apartheid labour practices has proved an easier task than creating a simple structure

A recent report by BOE Securities, a Johannesburg stockbroker, rates the labour sectors, and an overall market as "an unqualified negative" in investors' perceptions. tected environment, have

The external environ-

economic policy but causing that of the country. A government watchdog will monmakers," says Ebrahim itor progress. Patel, secretary-general of The bill recognises mitithe South African Clothing gating factors which could

blacks.

most articulate exponent of an alternative strategy." These differences came to a head last year during an emotive and largely rhetorical debate between trade unions and organised business over the Basic Condi-

and Textile Workers' Union.

"Whatever one's view, the

tions of Employment Act. The law will impose a 45- hard enough will face fines. hour working week, increase rates of overtime pay, entrench the role of trade unions in sectoral bargainconditions of employment in new legislation have been even the lowest-paid, and previously unregulated,

Its sequel, this year's Employment Equity Bill, will trigger similar antagonism at the National Economic Development and Labour Council, a tripartite body set up to represent the interests of labour and busi-

ness in policymaking.
The law will compel companies with more than 50 staff to draw up plans to develop a workforce whose ment is not only reshaping racial composition reflects

### INVEST IN CAPITAL MARKET BONDS

TRANSNET- AN INVESTMENT OPPORTUNITY IN SOUTH AFRICA

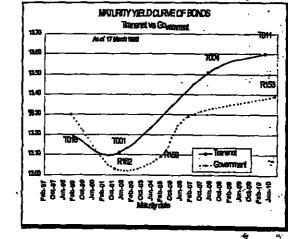
This advertisement is directed at professional investors only

Transnet Limited is one of the world's largest transport condomerates. As such, it plays a vital role in the economy of South Africa. It is a thriving multi-modal transport company built on the principles of excellence. Transnet is worth R40 925 million (\$ 8234 million) in total operating assets and it has a workforce of 110 358 employees.

The capital intensive nature of the business Transnet operates, as well as the sheer size of the operation, necessitate a sophisticated approach to the financing of the business. This function is executed by a centralised Treasury division with the mandate to raise funds in both the domestic and international financial

Transnet's borrowing rationale is centred around upgrading and expanding its infrastructure and asset base. It does this with due regard to the returns which can be generated from its investments, as well as the economic consequences for both Transnet and South Africa. In managing the financial risks of Transnet, one of the functions of the Treasury division is to ensure that the maturity of fixed assets and related liabilities closely coincide. As such, the Treasury division is tasked with maintaining a wide spectrum of funding instruments suitable to service the needs of the operating divisions and subsidiaries of Transnet and, therefore, the need for new bonds to be issued arises from time to time.

With the South African Government as the sole shareholder, all Transnet bonds are unconditionally and irrevocably guaranteed by the Government as to the payment of interest and repayment of principal.

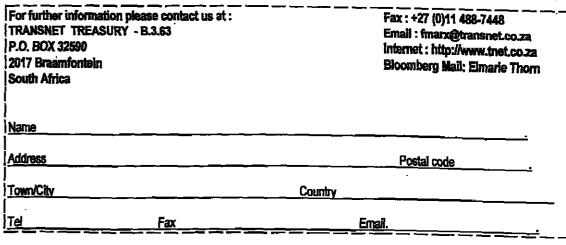


Transnet Domestic Rand Denominated Bonds

Bona	Kedemb-	Coupen	Reuters	ssued
Code	tion Date	Rate	Codes	Rmillion
T016	15 Feb 99	11.5%	ZAT016=	3630
T001	01 Apr 02	12.5%	ZAT001=	3119
T004	01 Apr 08	7.5%	ZATOO4=	5644
T011	01 Apr 10	16.5%	ZAT011=	8533

Regarding dealing in Transnet bonds, two way prices may be obtained directly from the Transnet dealing room. Competitive trading spreads are available from odd lot denominations up to R100 million nominal per trade. In essence, an investment in Transnet will render just, if not excellent, value to any investment

Dealing room telephone no. +27 (0)11 488-7588/89





**Invest in the West Coast** 

One of South Africa's Fastest growing regions.

The West Coast Investment Initiative (WCII) is a partnership between government and the private sector to attract investment into a region rich in industrial opportunities, agriprocessing, fishing and mariculture, tourism and infrastructure development. Adjacent to the deepest and largest port in

reasons. First, the improve- provided an incentive to

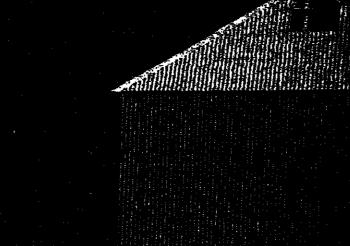
Southern Africa, the Saldanha Industrial Development Zone will offer a one stop investor-friendly infrastructure, sound labour relations, generous tax haven holidays and incentives for world class technology to ensure continued environmental integrity.

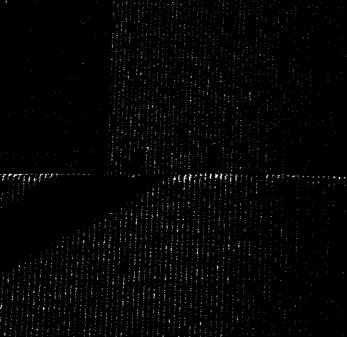
Contact

Dr L F Platzky, Project Manager Department of Trade & Industry PO Box 979 Cape Town 8001

(27 21) 483 4141 Tel: (27 21) 483 4722 Fax: E-mail: westcoast@sdl.org.za Website: http://www.westcoast.org.za/

South Africa





sl

b

# Fresh start for sleepy Cape Town

Robust economic performance puts city and province at forefront of investor interest

Cape Town in the 1980s had a well-deserved reputation as a sleepy backwater for business, but in the 1990s the city and the Western Cape province as a whole have prospered and grown.

Streets in the city centre that were once almost empty are now thronged with tourists, buskers and hawkers In the suburbs, South Africans and foreigners are investing in industry and property.

For Peter Pullen, a director of the Western Cape Investment and Trade Promotion Agency (Wesgro), there is one overriding reason for the region's success. "We are lucky that we never relied on minerals," he says.

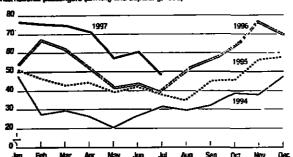
"The Western Cape is still the fastest growing province. One of the major plus factors is that we don't suffer from the minerals curse."

Whereas Johannesburg and the mining communities of Gauteng and Free State provinces have been hard hit by the sharp fall in the price of gold, the Western Cape has enjoyed a surge in tourism and benefited from increased exports of wine, deciduous fruit and other products since the end of apartheid and the lifting of economic sanctions against and other service industries. South Africa.

'Tourism figures really skyrocketed," says Mr Pullen. The area has unmistakable attractions, including a Mediterranean climate, the wine country around Stellenbosch with its whitewashed Cape Dutch farmhouses, the beach resorts and whalewatching expeditions of are to be built on the site of False Bay and the Cape of an old power station. The Good Hope itself.

Cape Town lost to Athens in its bid to host the 2004 Western Cape share index Listed companies, October 31 1994=100

Cane Town airport



campaign raised the city's international profile and the region's climate and natural

beauty are nurturing a fast-

growing film production

industry. Investors have struggled to keep up with demand for a rapid expansion of tourism The Victoria and Alfred waterfront, previously a extreme political sensitivity. quiet corner of the commercial port with a single restaurant, has been redeveloped and draws thousands of visitors to its new hotels,

Nearby, four large hotels overstretched airport is being expanded and the cable car system taking tour-

cafes, bars and boat-trip

Mountain has had its capacity more than tripled to 900 people an hour.

Money is pouring into the Western Cape, not just from overseas but from other parts of the country. Mr Pullen and other Western Cape officials, however, are reluctant to boast about a trend that has become a matter of So many wealthy white South Africans are fleeing

Johannesburg because of its high crime rate for Cape Town and the vineyards around it that the migration has been dubbed "the grape Furniture removal vans

arrive full in the Cape peninsula and return empty to Gauteng. Even those who ment projects are under continue to work in Johan-Olympic Games, but the ists to the top of Table nesburg have sometimes Century City, which is it was in the late 1950s that

lies to the Cape and com-

The migration is an embarrassment and irrita-National Congress, not least because the Western Cape is the only provincial government controlled by the opposition National Party, the party that devised apartheid.

Cape Town is the least "African" of South African cities. Whites and Coloureds the mixed race people outnumber the Africans who have migrated from the Eastern Cape.

The ANC does not want the region to turn into an enclave of resentful whites. To make matters worse for the government, many coloureds are fearful of black rule and support the NP, which is now a multiracial party, albeit one still dominated by whites.

ANC leaders, many of whom feel uncomfortable in Cape Town's political and social atmosphere, are even considering the possibility of moving parliament from Cape Town to Gauteng. At present government officials have to travel frequently between Cape Town and the capital Pretoria

Whatever the political implications, the influx of South African migrants and foreign visitors has helped the local economy. Unemployment in the Western Cape is estimated to be about 17 per cent of the workforce, substantially lower than the national figure of 20-30 per cent.

The region's economy has been growing at about 4 per cent a year, and it accounts for 14 per cent of the country's gross domestic product despite having only 10 per cent of the population.

Property prices have risen sharply and several developway. One of the biggest is

chosen to move their fami- expected to incorporate in isolated markets behind South Africa's largest shopping centre.

On the industrial front. work has started on the tion for the ruling African R3.5bn high-technology Capricorn industrial park near Muizenberg, where the first significant tenant is a joint venture between Sasol and Plessey that will make electronic systems for detonators in the mining industry.

The Western Cape's relatively robust economic performance when compared with other provinces does not necessarily make it a business paradise. Crime is not exclusively a Johannesburg problem, and the poor districts on the Cape Flats, behind Table Mountain, have recently been hit by gang violence.

Away from Cape Town, some areas of the province have been neglected since the 1960s. The quality of school education is often poor and local white businessmen, protected for years

that sometimes accompany rapid industrialisation in export processing zones.

We are very strict about what kind of technology we

high tariff barriers do not always welcome the cold winds of global competition as the economy opens up to international trade. One such neglected area around Saldanha Bay, north of Cape Town on the Atlan-

tic coast, is the focus for one of the government's Spatial Development Initiatives. The West Coast Development Initiative, centred on a R6.8bn steel plant to be finished this year, aims to create jobs and increase exports in sectors as diverse as tourism, fishing, seaweed farming, and heavy industry by exploiting the area's underutilised labour and transport infra-

Laurine Platsky, project manager, hopes to achieve these aims without making the environmental mistakes



The waterfront is a tourist attraction

use," she says. "We want only the best. We want to leapfrog the dirty EPZ-style stuff of the Far East."

For all the government's reservations about the racial make-up and the predominantly Afrikaans-speaking society of the Western Cape, its leaders have thrown their weight behind the efforts to increase foreign and local investment in the region. Nelson Mandela, president

ference in Saldanha Bay to: launch the project: The who invest here over the next few years will help take us into the global econom by producing the world's thinnest steel, the healthing herbal teas, the tastiest branied [barbecued] craylish and the highest quality seawer for medical technology, to mention but a few

of South Africa, told a con-

4 IL

gr.

~

7.0

-

CAR INDUSTRY • by Tony Jackson

Manufacturers have to overcome

the legacy of poor regulation and prohibitive tariffs

South Africa's car industry shows the legacy of apartheid, in microcosm, Manufacturers are striving, with fair success, to correct the inefficiencies caused by tariff protection and cackhanded regulation. But efficiency must be accompanied by growth; otherwise, there will be job losses on a politically unacceptable scale.

The earliest car assembly plants in South Africa date back to the 1920s. However,

the government identified the sector as central to its industrial policy.

Christoph Köpke, head of Mercedes-Benz of South Africa and president of the National Association of Automobile Manufacturers of South Africa, says "previously, there were good engineering skills in mining, but otherwise the economy was based on agriculture. The government decided the localisation of the car industry would start the industrial base".

The distortions this caused were predictable. Rules were set on local content, measured at first by weight. So the components industry concentrated on making heavy parts, mostly charac-

terised by low technology. That particular distortion was corrected by a switch to value-based content at the end of the 1980s. More damagingly, the tariff on imported vehicles remained prohibitive, running at 115 tributes the platinum per cent when the new gov-

ernment took over in 1994. This had two effects. First, the industry became highly fragmented, with short production runs and a proliferation of models. And because car prices typically rose faster than inflation, domestic demand was suppressed.

In 1995, the situation was addressed by the so-called Motor Industry Development Programme, hammered out jointly by government, manufacturers and trade unions. Local content rules were relaxed. The tariff on imported vehicles is down to 70 per cent, and is due to fall

to 40 per cent by 2002. One obvious result has been downward pressure on prices charged by domestic manufacturers. At first, demand responded sharply, with light vehicle sales up from 300,000 in 1994 to 400,000 in 1996. Thereafter, with the weakness in the domestic economy.

How have foreign manufacturers reacted to the new regime? This has varied with their starting point. In broad terms, the Americans left motor industry, also gives South Africa in the apart- the industry a mixed review. heid years: the Japanese Investment in assembly never arrived: and the Ger-

mans stayed on. Since 1994, General Motors and Ford have re-entered the The industry is stillmarket. Toyota and Nissan have taken equity stakes, for the first time, in the local companies that bear their

BMW plans to expand production by some 250 per cent, and to increase exports from a sharply reduced range of models. Mercedes-Benz, which has been majority owned by Daimler Benz of Germany since 1984, has increased its exports from R20m in 1989 to a forecast R1bn this year, in built-up

vehicles and parts. Daimler Benz has also broadened its activities from carmaking to financial services, technology consultancy and aerospace. According to Mr Köpke, it has thereby created 1,000 jobs outside the auto industry in South Africa.

One effect of all this has been a sharp rise in the industry's exports, based almost entirely on components. In 1996 exports of built-up vehicles were worth around R800m, little changed from 1994. But in those two years component exports doubled to R4bn. If that sounds impressive,

there is a caveat. The two leather seat covers and cata-In other words, the indus-

nology. South African leather is of very high quality, so that Mercedes Bear for instance, uses it or almost all its cars world wide. As for catalytic converters, South Africa concoating, while the tricky bits - the ceramic honeycombs are made elsewhere. -- -

The question is how successful the new regime - the MIDP - has proved. Johanvan Zyl, head of marketing at Toyota South Africa - the market leader - gives it a mixed review.

"The MIDP aimed to make vehicles more affordable", he says, "and that happened. There has been a 10 per cent. real reduction over the past three years. And it aimed to promote exports, which has also happened, including in CBUs (completely built-up units).

Another crucial element. though, was to rationalise models and achieve economies of scale. Here, Mr van Zyl says, much remains to be done. It is also unclear. how far the MIDP is succeeding in safeguarding jobs and developing skills in the worktorce. So lar employment in the industry

Anthony Black, an economist at the University of Cape Town and an adviser to the government on the plants, he says, is not on the scale of other developing economies such as Brazil. insufficiently mechanised. and there are too many models.

"I'd be generally very positive about the outlook, but there are some negative factors", he says. "There has been limited rationalisation. And there have been limited exports of CBUs. Though they were up 70 per cent last year, it was from a small

Finally, he points out, the industry's profitability is under pressure as a result of greater competition and the economic downturn. Between 1993 and 1995, aggregate profit for the industry quadrupled from R500m to R2bn. In 1996 it slumped back to R500m again.

But it would not do to be too pessimistic. After all, investment in the industry has risen sharply: in assembly, from under R500m in 1994 to over R1bn in 1996. In components, though a comparable figure is not available, the rate of growth has been faster still

And as the optimists point out, the future need not lie with massive assembly piants. "Fifteen years ago" main components were Mr Röpke says, "you would not have built an auto plant lytic converters, accounting with a capacity below for 31 per cent and 12 per 250,000. The Japanese took cent of the total respectively. that down to 100,000, the Germans to 60,000. That try is capitalising on raw starts to look interesting for materials rather than tech- us here in South Africa."

For connection to a specialised range of financial services, contact South Africa's largest investment and private banking group.

insert.

Private Banking. Asset Management. Corporate Finance. Specialised Finance. Securities Trading. Treasury, International Banking, Corporate Banking Services, Trade Finance, Property Services, Investec Bank Limited: Johannesburg 27 11 286 7000. London 0171 283 9111. @ http://www.investec.co.za



